

OUR CENTENARY



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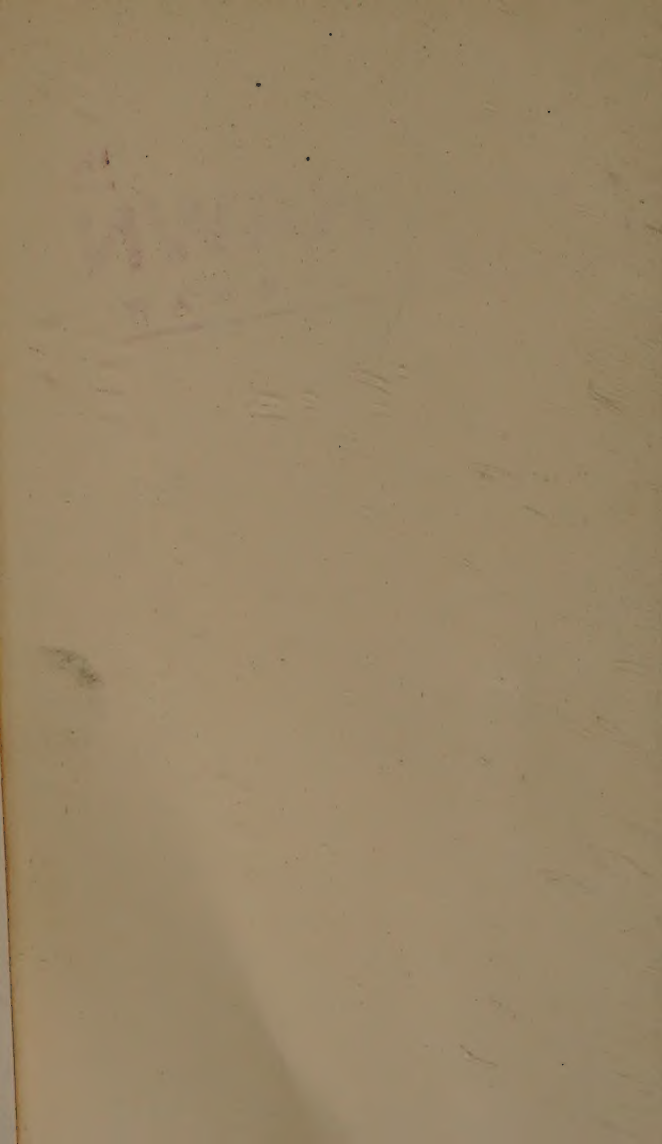
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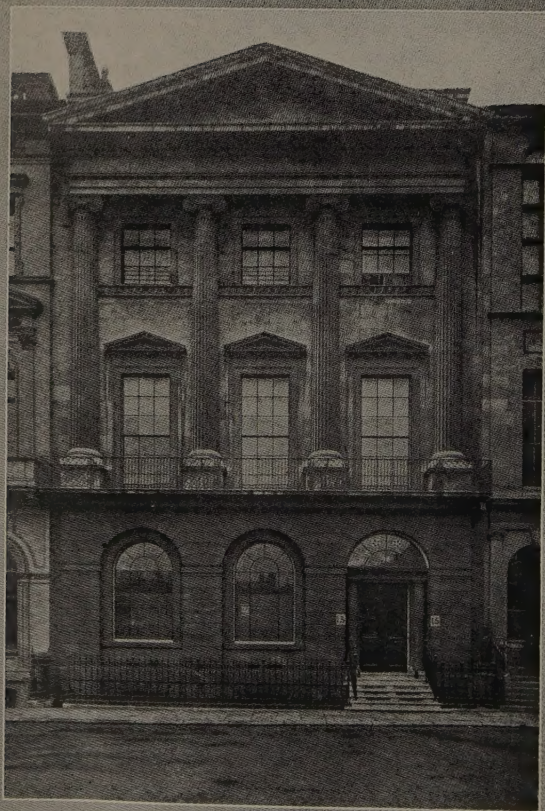
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1824
TO
1924

OUR CENTENARY

BEING THE HISTORY OF THE
FIRST HUNDRED YEARS OF THE
CLERICAL, MEDICAL & GENERAL
LIFE ASSURANCE SOCIETY

By

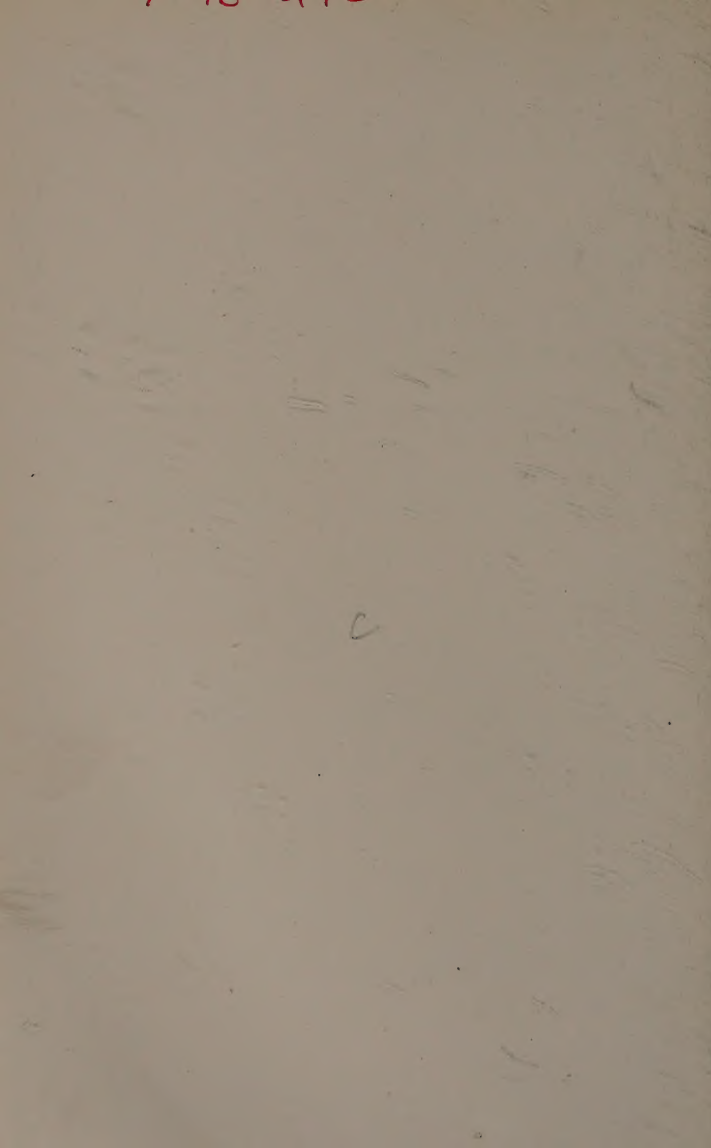
ARTHUR DIGBY BESANT

General Manager & Actuary
of the Society



PUBLISHED BY THE CLERICAL, MEDICAL
AND GENERAL LIFE ASSURANCE SOCIETY
AT 15 ST. JAMES'S SQUARE, LONDON

April, 1924



Preface

A CENTENARY is an uncommon event. The Directors have entrusted to me the preparation of this little volume of history, feeling that the long story of the Society deserved some permanent record, and that the opening of a second century of usefulness provided a fitting opportunity for rescuing from oblivion the main events which occurred during the first hundred years of our existence.

I have attempted, in the following pages, to give a chronological survey, with special reference to the various stages of our development, and with some description of the leaders who shaped our destinies. The work has involved much research among old documents long forgotten and stored away. For many vivid details about the Pinckard family, Mr. Cutcliffe and Mr. Newbatt—these worthies of a more or less distant past—I am indebted to Mr. W. J. H. Whittall, my predecessor in office, to Mr. G. G. Churchward, and to Mr. Edgar Coles. I have also to thank Mr. G. H. Pinckard—the second to bear that name so well known in our annals—and Sir George Mowbray, Bt., the grandson of our late Chairman, for allowing me to reproduce some old family portraits, etc., Col. Gordon for valuable information as regards our Bloomsbury homes, and my colleague Mr. H. D. O'Neill for much scholarly criticism and for his continuous help.

Da placidam fesso, lector amice, manum.

March, 1924.

A. D. B.

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Foreword

As Chairman of the Society I have been asked by Mr. A. D. Besant to write a Foreword to this short history of the first hundred years of our existence, a work which is frankly domestic and yet marks a milestone in the development of Life Assurance. As the inheritors of great traditions we naturally glance at our origins, and at the underlying principles which inspired our Founder, Dr. Pinckard, to launch the enterprise which to-day is known as the Clerical, Medical and General Life Assurance Society. Unquestionably he accurately diagnosed a want. In 1824 no assurance protection was available for those under-average lives over whom hung the threat of a shortened span of life, although they, of all people, most needed protection for their dependants. It was to satisfy this need that our Society came into existence. Competitors in the ordinary field of Life Assurance already existed, but it remained for Dr. Pinckard to justify his claim. Like that of many pioneers his project nearly failed for lack of suitable conditions. As I read the story, his effort to spread his net wide enough to catch sufficient invalid lives well-nigh proved ineffectual, and it is no extravagance to say that the success of his idea was due to unexpectedly strong forces which bore him along upon a swift and sure stream. In 1830 the first steam

railroad from Manchester to Liverpool was opened, and with the railroads came improved communications of every kind ; thus was solved the difficulty of bringing home to the scattered persons for whom he wished to cater, the great value of Dr. Pinckard's idea. After that, all progress was sure and uniform, thanks to the insight and imagination of a succession of able Administrators and Directors. The tale here unfolded is typical of many British enterprises, which in infancy barely escaped premature death but yet have lived, without feeling old, to celebrate a centenary. Mr. Besant has, with unerring judgment, rescued from oblivion many picturesque details which would otherwise have slumbered on dusty shelves, and has brought into relief the strong and weak points of those men who were from time to time entrusted with the destinies of our Society. I trust that his skilful weaving of our story will make interesting reading for an even wider circle than that limited to our immediate friends to-day. I cannot close these words without noticing the high honour bestowed on Mr. Besant since he wrote the following pages. He has been unanimously elected President for next year of the Institute of Actuaries, while still holding the Chairmanship of the Life Offices' Association, and in this combination of highly responsible positions he follows exactly in the steps of his predecessor, Mr. Newbatt.

F. E. J. S.

SECTION I

THE EARLY DAYS

Chapter I

1824

IT is not an easy task to throw one's mind back a hundred years; to seek out the various forces which led to the foundation of the Society a century ago; to reconstruct the early struggles and to present a picture of its gradual expansion and development. The material available for recording the history of those far-off days is scanty. It consists mainly of the Directors' Minute Books, a few old advertisements and prospectuses, supplemented by the reminiscences of those who, from personal or family association, can add something to our knowledge of those who guided the infant steps of the Society in this distant past. It is my aim in the following pages to dwell more upon the human than upon the purely technical side of the Society's developments; to sketch the difficulties which our predecessors had to face; to show how they gradually surmounted these difficulties, and how truly they laid the foundations upon which the present prosperity of the Society has been based.

It is startling to find how great a revolution has taken place in our daily life and business habits during the past hundred years. In 1824 the population of England and Wales was less than one-third of what it now is, and a far larger proportion of our citizens lived in the provinces and in the smaller towns than is the case to-day. The professional classes—the Clergy, the Doctors, the Attorneys, and the Schoolmasters—were comparatively few in number. Even if we admit that “Passing rich with forty pounds a year” may not represent a complete picture of clerical incomes in the latter part of the eighteenth century, or even in 1824, there can be no question that the average professional income a hundred years ago was miserably small in comparison with modern standards. The great middle-class, the backbone of Life Assurance as we know it to-day, had scarcely come into existence, and the entire nation, after a generation absorbed in continental war, was still suffering acutely from its inevitable results in the way of crushing taxation, despite the counter-effects of a trade boom then at its height.

Thus, the number of persons to whom a new Life Assurance Office could successfully appeal was very limited. Moreover, the mere physical difficulties of getting into touch with those needing Life Assurance were almost overwhelming. There

were no railways, no telegraphs, posts were costly and slow. At the best, leisurely methods of business were unavoidable.

On the purely technical side, Life Assurance in 1824 presented problems equally baffling. Vital statistics were then in their infancy. Towards the close of the eighteenth century, Mortality Tables had been published, based on the death rates experienced over a period of years in the cities of Chester and of Northampton; and in 1815 a similar but a much more scientific table was issued by Mr. Joshua Milne, based on the mortality records of the city of Carlisle during the years 1779-87. By 1824, it had begun to be recognised that such statistics were not only obsolete, but that even if they were to be brought up to date they could not be regarded as presenting an accurate measurement of the rate of mortality likely to be experienced amongst assured lives, selected mainly from the professional classes. There were, however, no such statistics then available. It was not until a year later that Mr. Griffith Davies published the results of his investigations into the mortality of the lives assured in the "Equitable"—that famous old office which even then had been in existence for over sixty years—and it was five years later that Mr. John Finlaison published,

in 1829, the records of the mortality experienced among Government Annuitants. Thus the Actuary of 1824 had a hard task in preparing his Tables of Premiums for Office use. One other aspect of the conditions of 1824 should be recorded here, for it must have given our Founders much cause for anxiety. Even at that date the Life Assurance field was already fully occupied by formidable competitors. Apart from the Equitable, the great pioneer office to which reference has already been made, there were in full activity a century ago such offices as the London Life, the Atlas, the North British, the Sun, the Guardian and the Scottish Widows—to quote only a few which are still household names in 1924. The Alliance, the Yorkshire and the Scottish Union were then just being established, and there were in existence at least a score of other offices, equally famous in their day, which, owing to amalgamations, no longer maintain their independence.

Last, but not least, there were the pirates to be taken into consideration. There were no State restrictions in 1824 to protect the public against the bogus assurance company. All that its promoters had to do was to issue tempting terms and, after collecting the money from the victims for a few years, fail to fulfil the stipulated contracts.

The year 1824 was marked by great financial activity throughout the country. Joint Stock enterprise ran rampant, as may be gathered from the fact that no less than eighteen new Life Assurance Offices were founded in that year, with a nominal capital approaching twenty millions sterling. Mr. Cornelius Walford, in his well-known *Encyclopædia of Life Assurance*, states that since the worst days of the South Sea mania in 1720 there had been no such rapid creation of Insurance Institutions as in 1824. The majority of these new offices were honestly managed, but there were, unfortunately, not a few exceptions. A contemporary record, referring to one such company, which had advertised widely that it granted annuities on more generous terms than any other kindred organisation, closed its comments upon the inevitable collapse that ensued, in the following charmingly mixed metaphor :—

“ Thus that nest of swindlers has run its race and exposed in its true colours the gross fraud upon the public.”

Take, again, the references made by Dr. George Pinckard, the first Chairman of the Society, in a speech which he addressed to the Proprietors in 1832 as to the conditions existing at the date of the foundation of the Society in 1824 :—

“ . . . The Scheme of the Society was novel, the public opinion was adverse ; the times were disastrous ; speculation in Joint Stock Companies was carried to a fearful extreme ; Assurance Societies, almost numberless, were projected, many failures occurred ; and it may be said, in the language of the Society, that our success *was doubly hazardous.*”

Chapter II

The Foundations of the Society

IT was in these circumstances that, in the early spring of 1824, Dr. George Pinckard, a physician residing in Bloomsbury Square, gathered together a committee, “mostly of medical and clerical gentlemen,” and issued a

PROSPECTUS

for the establishment of

A NEW ASSURANCE OFFICE

with improved arrangements.

This document is so quaint in its wording, so delightful in the varied form of its appeal, and so emphasised by italic type, that it deserves to be quoted in full. The following extracts must, however, suffice :—

“Amidst the many great and valuable establishments of this country, there are none more extensively conducive to the interests of the public, and the benefit of individuals, than well-conducted Life Assurance Offices.

“The increase of societies of this kind during some years past, stands in proof of this fact ; and instead of evincing that a sufficient

number of such institutions already exists, it shows, that their utility is more justly appreciated, in proportion as the advantages of this mode of securing property are more generally understood.

“ *To the clergy, who hold their preferment for the term of their lives ; to the members of the medical profession, whose incomes depend, in a great measure, upon their powers of healthy exertion ; and to all persons possessing only a life-interest in their property, the practice of Life Assurance recommends itself not merely as a measure of expediency, but as a bounden duty.*

“ The system is still in its infancy. From the want of an accurate knowledge of its benefits, and of the ready method by which they are attainable, the assurance of lives has been hitherto very limited. When its principle shall be fully comprehended, it may be presumed that its manifold advantages will cause it to be more generally adopted.

“ It ought to be distinctly *known in every family, and to every member of society*, that, by the yearly payment of a *moderate saving*, persons may secure to their wives, their children, their helpless relatives, or their friends, an adequate provision against the pecuniary distress which might be produced by their death.

“ It is presumed that the advantages of Life Assurance may be extended, more effectively than at present, to the public at large . . . by

constituting a New Assurance Company, to be called

THE MEDICAL, CLERICAL, AND GENERAL
LIFE ASSURANCE SOCIETY.

“ The principles on which this Society will be conducted are the same as those of other similar institutions, with only such additions and improvements as, it is presumed, will augment its general utility. The Society does not stand forward in the character of a rival Institution—seeking success by derogating from the merits of its cotemporaries: it presents itself as an Associate, engaged in the united and laudable endeavour to diffuse more widely the great benefits which may accrue to various classes of society, from this most valuable mode of securing property.

“ A proprietary fund, or fixed capital, will be constituted, consisting of £1,000,000. . . . The Shareholders to receive interest at not less than three, nor exceeding five per cent. per annum, on the sums actually advanced; and to be entitled to such a proportion of the profits of the general business, as the sums paid in shall bear to the amount of such profits. The amount of profits to be ascertained by a minute investigation of the Society's affairs, at periods of (not less than five or) seven years.

“ The Institution will be placed under the direction of a body of Gentlemen, whose characters and property will be a guarantee for the integrity of its proceedings, and, in addition

to the proprietary fund, will augment the security of the Assured : in its practice it will be liberal and comprehensive.

“ This Society proposes to extend the advantages of Life Assurance to persons subject to such deviations from the common standard of health, as do not essentially tend to shorten life ; upon their acceding to the following conditions :

1. That they make an affidavit, stating the nature of their complaints, the dates of their first attacks, and the names and addresses of the Medical Practitioners who attended them then, or in any subsequent returns of their disorders.
2. That they pay an increased premium, proportioned to the increase of hazard.

The premium on the lives of persons deviating from the common standard of health, will be regulated according to the amount of hazard ; the risk being calculated upon a minute investigation of each individual case, by the Board of Directors.

“ The management of the Society’s affairs will be vested in a Board of Eighteen Directors, of whom *Three will be Dignitaries of the Church*, and Directors, *ex officio*. Of the remaining fifteen Directors, not less than Nine will be *Members of the Medical Profession*. The attendance of such a body of eminent Medical Practitioners, on every occasion of granting an assurance, will afford the most effectual means of ascertaining the actual state of health of

the assured ; and will form a *distinguishing safeguard* which, it is presumed, will greatly conduce to the *permanent prosperity* of this Society.

“ Five of the Directors to go out annually, in rotation ; and no Director to be re-eligible until he shall have continued out of the direction, at least, one whole year.

“ Persons assured for the whole term of life, will be entitled to share, with the original Proprietors, the general profits of the business, in proportion to the amount of their respective assurances. Secured from hazard, by the proprietary fund, they will have the advantage of participating in the profits, without being exposed to any risk.

“ The profits to which they may be entitled, will either be added to the original sums assured, and left to accumulate for the benefit of their successors ; or they will be applied in diminution of the annual payments of premium, for the assurers’ own benefit, during life ; at their option.

“ Trustees, of the highest respectability, some of whom will be of the Clerical Profession, will be elected.”

The draft Prospectus closes by stating that the peculiar features distinguishing this Society will be :—

“ 1. A diminished rate of assurance, especially on the younger lives ; calculated upon the

improved state of public health, and the increased duration of human life.

“ 2. One half of the Board of Directors being members of the medical profession.

“ 3. Extending the benefit of life assurance to all classes of persons; calculating the premium in a just ratio with the amount of hazard, instead of excluding those afflicted with ‘gout, asthma,’ and the other diseases usually specified.

“ 4. Giving the option to the person assured to share the profits, either by adding them to the policy for the benefit of his survivors at his decease, or to take them in reduction of the annual premium, for his own benefit during life.”

Then follows this letter :—

“ 22, GREAT RUSSELL STREET,

“ BLOOMSBURY,

“ *Apl. 12th, 1824.*

“ SIR,

“ A Committee, mostly of Medical and Clerical Gentlemen, being engaged in establishing a Life Assurance Society, which has more than a common Prospect of becoming extensively beneficial, especially to the Members of the Clerical and Medical Professions, the Promotors are desirous to make it known to you, and to solicit the Favor of your Countenance and Support.

“ They beg to lay before you an Outline of the Plan, requesting that you will be pleased

to signify whether it be agreeable to you to have your Name placed on the List of Proprietors; and, in such case, for what Number of Shares you may wish to subscribe.

“ I am, Sir,

“ Your obedient humble Servant,

“ THOMAS RICHARDS,

“ *Pro. Sec.*

“ The following Gentlemen have expressed their Intention of honoring the Society with their Patronage :—

Sir Henry Halford, Bt., M.D.	Dr. Temple.
Sir Astley Cooper, Bt.	J. H. Green, Esq.
Sir G. H. Tuthill, M.D.	Dr. A. Smith.
Sir Wm. Franklin, M.D.	Dr. Babington.
Dr. Powell.	Dr. Birkbeck.
Dr. Pinckard.	Dr. Meyer.

Dr. Frampton.”

This appeal, signed by Mr. Thomas Richards—of whom I shall have more to say in a subsequent chapter—was followed shortly afterwards by the appointment of a *Provisionary Committee*. At the first meeting the Chair was taken by Dr. Ashby Smith, and a favourable report was submitted. The Minutes record that “ since the first public notification of the proposed establishment the most flattering encouragement has ensued,” and that, “ A Deputation has waited upon the leading members of the Medical and Clerical Professions with most gratifying results—the majority of those

who have arrived at eminence having afforded their sanction and patronage to the Institution." Through the good offices of Sir Herbert Taylor, H.R.H. the Duke of York was approached, "soliciting the honor of his patronage as President, but H.R.H. having refused many similar applications, and being predetermined to give the sanction of his name to no Society or Institution which had not for its object the promotion of some *charitable* purpose—was of necessity induced to decline a compliance with the wishes of the Committee." The Duke of Richmond was asked to accept the nomination of President, and the Venerable the Archdeacon of London consented to become an Honorary Director, a title shortly afterwards changed to that of "Visiter."

Several Meetings were held during the next few weeks for drawing up a rough draft of the Laws and Regulations and on the 18th June a "General Meeting of the Subscribers to the Medical, Clerical and General Life Assurance Society" was held at the Freemasons' Tavern, Dr. George Pinckard being in the Chair. The Meeting being of opinion "that the advantages of Life Assurance may be extended more effectively than at present to the public at large, and in a special manner to the members of the Medical and Clerical Professions by

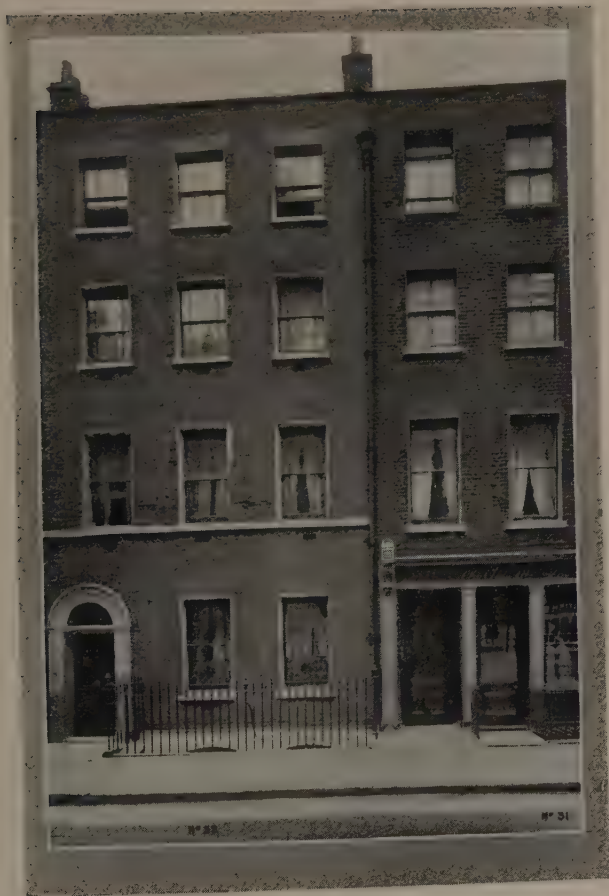
constituting a new Assurance Company with improved arrangements," proceeded to pass various resolutions for establishing the "Medical, Clerical and General Life Assurance Society," and vested the management in a body of nineteen Directors, of whom three were to be Dignitaries of the Church, and not less than eight members of the Medical Profession. The Meeting then "approved and confirmed" the appointment of a President, the Marquis of Huntly, G.C.B., of eight Vice-Presidents, of sixteen Directors, seven Trustees, three Auditors, two Bankers and two firms of Solicitors. It is interesting to note that although the Directorship included eight Physicians or Surgeons, there was not a single representative of the Clerical side, although the Prospectus promised three Dignitaries of the Church. The original Trustees of the Society included the name of J. Gladstone, Esq., M.P., the father of the Rt. Hon. W. E. Gladstone.

At this Meeting Mr. Joseph Pinckard, a brother of Dr. George Pinckard, was appointed Resident Secretary, and the Directors were empowered to secure "as speedily as possible such house and premises as they may consider to be proper and convenient for conducting the business of the Society." The Directors were authorised to draw up a "Code of Rules and Regulations for the

Government of the Society, preparatory to forming the Deed of Settlement," and to make "such call or calls on each share as they may deem expedient." Finally, the thanks of the Meeting were given to the Provisionary Committee "for the great zeal and exertions they have used in forwarding the establishment of this Society," and to Dr. George Pinckard "for the very able manner in which he has conducted the business of the day."

A day or two later advertisements, signed by Mr. J. Pinckard, were issued from No. 22, Great Russel-street, stating that the business of the Society would be commenced on Wednesday next, the 23rd of June, "at the temporary office, No. 32 Great Russel-street, Bloomsbury, where instructions for Policies will be received, until the Offices of the Society shall be ready for the reception of the Establishment."

The new Society was thus fairly launched upon its long career; but, as we shall see, it had still many difficulties to surmount before it could realise to the full the hopes held out by the somewhat ambitious wording of the prospectus.



32 GREAT RUSSELL STREET.
The Society's First Home.

Chapter III

The First Board Meeting

“**A**T half after eleven, for twelve o'clock precisely,” on Wednesday the 23rd June 1824 the first Board Meeting of the Society was held. Of the sixteen Directors ten were present and Dr. George Pinckard was invited to take the chair. The proceedings began by reading the Resolutions passed at the meeting of the Proprietors held at the Freemasons' Tavern on the preceding Friday. The Directors then agreed “that a call of $2\frac{1}{2}$ per cent. upon each share be forthwith made, that the amount be paid on or before July 12th and that letters be sent to all subscribers.”

The Board then decided to “enter into an agreement with Miss Warwick for taking the House, No. 32, Great Russell Street, at an annual rent of £100, the Society being allowed the use of the fixtures and not being made subject to any liability on account of dilapidations at the expiration of her lease.”

Then follows this Minute :—



DR. GEORGE PINCKARD.

“That the term ‘Actuary’ be added to Mr. Joseph Pinckard’s appointment—that he be accordingly designated ‘Resident Secretary and Actuary’—that his Salary for the first year be £300—he being required to provide a Woman Servant, for the purpose of keeping the House and Offices clean and in proper order.”

At the same Meeting Mr. Thos. Richards was appointed Assistant Secretary at a salary of £100 per annum, and the office hours were fixed as being “from 10 o’clock A.M. to 4 o’clock P.M., Sundays, Xmas Day and Good Friday excepted.” It was also decided that a Board Meeting should be held weekly, that three Directors should constitute a quorum, “but that no Policies be granted unless two Directors, Members of the Medical Profession, be present.”

The meeting ended by the adoption of the following Resolution :—

“That Advertisements be inserted in the following News Papers, viz. :—The Globe and Traveller, St. James’ Chronicle, Morning Post, Courier, Old Times, New Times, Morning Chronicle, Herald, John Bull, Observer and Bell’s Weekly Messenger.”

Chapter IV

The Early Days

A WEEK later the Board began to settle down to practical business. Thus, in the Minutes of June 30th, 1824, we find that, "the first proposal for Insurance, presented by Mr. Richard Pinckard, of Bloomsbury Square, was taken into consideration and the necessary letter ordered to be written."

It was also resolved :—

"That the Table for Graduating the Premiums of Assurance, calculated by the Resident Secretary and Actuary, be adopted and printed for the use of the Society."

It is curious to find that the Society's premium rates were based upon the old Northampton Mortality Table and not upon the more modern and far more scientific Carlisle Table published by Mr. Joshua Milne a few years previously. One can only conjecture that in 1824 the new Table may not yet have had time to secure that full measure of public confidence which it subsequently enjoyed for so many years, and that as the rates of premium deduced from the Northampton Table were considerably higher than those calculated from

the Carlisle Table, the Directors decided to take the more cautious path.

These rates remained in force for about a year only, as it was soon discovered that the premiums fixed by the Society "were higher than those of several of the new and respectable offices." The Directors accordingly decided that the rates should be reduced, and the Actuary was instructed to make the necessary calculations. In due course he presented these to the Board, and the new rates were approved, "subject to the examination and approval of the Revd. Dr. Yates, one of the Society's Trustees." The Chairman was deputed "to write a polite letter to the Revd. Dr. Yates requesting the favour of him to examine the Tables accordingly." The views of the Actuary, Mr. Joseph Pinckard, on this proposal are, unfortunately, not recorded. However, the result of the Revd. Dr. Yates's examination must have been satisfactory, as the Tables were adopted by the Board a few weeks later. They continued in use until 1851.

The succeeding Minute on June 30th, 1824, ran :—

"That the Solicitor be required to draw out the form for the Policy of Assurance to be used by the Society."

At the Meeting on July 7th, 1824, Dr. George Pinckard was appointed Chairman of the Board of Directors, and "requested to nominate two Deputy Chairmen." Mr. Richard Pinckard's proposal for Insurance was postponed for another week. Various accounts for Stationery, Advertising, etc., "together with every expenditure incurred from the Commencement of the Business of the Society, up to Midsummer Day last, being examined and passed by the Auditors, were approved."

Almost immediately after, trouble seems to have arisen with the Auditors in connection with some items of Expenditure, for we find that the Minutes were confirmed "with the exception of what relates to the Report of the Auditors respecting the Expenditure up to Midsummer last." The accounts were referred back to the Auditors for further examination, and eventually a further sum of £38 10s. 7d. was approved and paid.

A sum of £50 was "placed in the Hands of the Resident Secretary and Actuary for the purpose of meeting the current expenses of the Society," and this item constantly recurs in these early Minutes.

A little later, Mr. Joseph Pinckard was allowed a sum of 20s. per week "for the purpose of providing a Messenger for the Society—such Messenger to be

approved by the Board of Directors, to be under their control, subject to their orders and liable to their dismissal for misconduct or otherwise."

On the 14th July, "Mr. Richard Pinckard of Bloomsbury Square appeared at the Board and his Proposal for an Assurance of £500, upon his own Life, was accepted, the Profits to which he may become entitled from the General Business of the Society to be left to accumulate for the Benefit of his Successors." A week or two afterwards the form of Policy, as prepared by the Solicitors, having been read to the Board, was approved and issued. Mr. Richard Pinckard, the Society's first Policyholder, who became a Director in 1835, and a Deputy Chairman in 1840, died prematurely in 1846 at the age of 43, and the contract is entered in our Books as having involved a loss of £209 17s.



(Policy of Life Assurance) made by Premiums to £ 10. 0. 0
Richard Richard M. B. of Bloomsbury Square £ 2. 0. 0 Sum assured 500
on and for Continuance of his own life £ 12. 0. 0

CERTIFICATES Richard Richard M. B. of Bloomsbury Square has made a Proposal in Writing for an Assurance with the Medical, Clerical, and General Life Assurance Society, in the Sum of £ 500 upon and for the whole Term of his own Life; and with the Intent that such Statement should be the Basis of the Contract for the said Assurance, a Declaration in Writing hath by or on the Behalf of the said Richard Richard M. B. been made and delivered at the Office of the said Society, bearing date the twenty third Day of June One Thousand Eight Hundred and twenty four and signed by Richard Richard M. B. setting forth, that the Age of the said Richard Richard M. B. was then in good Health, that he had not had the Small Pox; that he had not had the Cow Pox; that he had not had the Gout; that he had not been afflicted with Asthma, Spitting of Blood, Convulsions, or Insanity; that he had not had a Rupture, or any Fit, but was of sober and temperate Habits, and was free from any Disorder or Disease tending to shorten Life. And whereas the said Richard Richard M. B. hath paid at the Office of the said Society the Sum of £ 10. 0. 0 as a Premium for such Assurance, for the Term of One Year, commencing from the Day of the Date of this Policy, and to terminate on the twenty third Day of June One Thousand Eight Hundred and twenty four (both Days inclusive): The receipt of which Premium is hereby acknowledged;

Now therefore this Policy witnesseth, that the Three Directors of the said Society, whose Names are hereunto subscribed, do hereby declare, on the Behalf of the said Society, that in case the said Richard Richard M. B. shall die before or on the said twenty third Day of June One Thousand Eight Hundred and twenty four, or in case the said Richard Richard M. B. as his Assigns shall, in the Event of his living beyond the said twenty third Day of June One Thousand Eight Hundred and twenty four, pay at the Office for the Time being of the said Society, during his Life, the like Annual Premium of £ 10. 0. 0 on or before the said twenty third Day of June in each succeeding Year: then the Stocks, Funds, Securities, and Property of the said Society shall (according to the Provisions of the Deeds or Deeds of Settlement of the said Society) be subject and liable to pay and satisfy within Six Calendar Months next, after due Proof shall have been made, to the Satisfaction of the Directors for the Time being of the said Society, of the Death of the said Richard Richard M. B. into his Executors, Administrators, or Assigns, the Sum of £ 500 Sterling and such further Sum or Sums of Money as may be due to the said Richard Richard M. B. or his Assigns, in the Event of his living beyond the said twenty third Day of June, shall by way of Bonus or otherwise, be added to the said twenty third Day of June, that in case the said Richard Richard M. B. shall die upon the High Seas (unless in passing directly from one Port to another Port of the United Kingdom of Great Britain and Ireland; or to and from the Islands of Guernsey, Jersey, Alderney, Sark, or Man; or in passing, in Time of Peace, between any Part of the said United Kingdom and any Part of the Continent situate between the River Texel and Brest, both inclusive, in Steam or other Decked Vessels), without previous License from the Court of Directors of the said Society to go upon the Seas; or in case the said Richard Richard M. B. shall go beyond the Limits of Europe; or shall voluntarily enter into any Military or Naval Service; or, being in either of such Services, shall go into actual Service without previous License from the Court of Directors for such respective Purpose; or shall die by Duelling, or by his own Hands, or by the Hands of Justice; or if any thing set forth or alleged in the Proposal, Declaration, or Statement, so as aforesaid made and delivered in at the Office of the said Society, shall be untrue, deceptive, or fraudulent, then this Policy of Assurance shall be void, and all Monies thereon paid shall be forfeited to the Society. Provided also, and it is hereby expressly declared and agreed, that the subscribed Capital or Fund and other the Stocks, Funds, Securities, and Property of the said Society, which, at the Time of any Claim or Demand made, may remain unapplied or undispensed of, in Pursuance of the Trusts, Powers, and Authorities in the said Deeds or Deeds of Settlement, shall also be liable to answer or satisfy any Claims or Demands upon the said Society; and that no Director, Proprietor, or Member of the said Society, or his or her Heirs, Executors, or Administrators, shall, by Reason of this or any other Policy, or of all the Policies which any Director hath signed or may sign, be in any wise individually liable to any such Claims or Demands beyond the Amount then unpaid of his or her Shares or Shares in, or Subscription to, the said Capital or Fund. Provided also, and it is hereby further declared and agreed, that the Directors whose Names are subscribed to this Policy, any or either of them, or their or his respective Heirs, Executors, or Administrators, shall not nor will demand for want of Parties to any Bill, which may be filed against them or him in any Court of Equity, respecting any Claim upon this Policy, nor take any merely formal or technical Objection, whereby a fair and just Investigation of the Merits of any Question, as to the Validity of such claim, may be prevented or obstructed. But so, notwithstanding, that any Director, Proprietor, or Member of the said Society, or his or her Heirs, Executors, or Administrators, shall not, in any event, be individually liable beyond the Amount mentioned in the Proviso lastly hereinbefore contained. In Witness whereof, we, Three of the Directors of the said Society, have hereunto set our Hands, this twenty third Day of June, in the Year of our Lord One Thousand Eight Hundred and twenty four.

Sealed and delivered
in Presence of

Richard Richard M. B.

Robert Price
John Price
John Smith

Chapter V

The Share Capital

THE raising of the Share Capital caused the Directors much anxiety for a considerable period.

It must be borne in mind by the critics of 1924 that, a century ago, the Proprietary Capital of any new Assurance office was its chief asset. Indeed, at the outset, such an office had little or nothing else to offer by way of security in competition with the powerful mutual offices which then so largely dominated the Assurance field. Our Directors must have realised very promptly that while they had held out to their subscribers, as the fundamental object of the Society's establishment, their intention of granting assurances on lives rejected or ineligible for acceptance elsewhere, this projected departure from all the accepted canons of Life Assurance was regarded in many quarters as being highly dangerous and speculative. It was therefore likely to be prejudicial rather than favourable as regards the raising of the projected share capital.

Thus the Directors in 1824 found themselves faced with the problem of creating, immediately,

some system which should prove effective for the measurement of the additional charges needed in the case of lives subject to any form of additional hazard ; while at the same time, the utmost regard had to be paid to the susceptibilities of the sensitive investor, on whose subscription to the share capital the future of the new Society so largely depended.

The original prospectus had fixed the Share Capital of the infant Society at £1,000,000, divided into 10,000 shares of £100 each and at the first Board Meeting a call of $2\frac{1}{2}$ per cent. was ordered—payment to be made within a period of three weeks. The first reminder was issued a month or so later, and as this seems to have been ineffective, an official was soon afterwards engaged “to wait upon those Proprietors who had not yet paid their subscriptions : respectfully to inform them of the omission, and to state the difficulty and inconvenience which it occasions respecting the accounts, the appropriating of the Shares, and the closing of the Share-Book.” Later on, this official and others were instructed to “collect the names of persons who may be desirous of becoming Proprietors.” A Board Minute was passed, making it a condition of the appointment of any Agent, that he should either assure his own life or take up a minimum of ten shares, and the most strenuous efforts were made to induce every

new Policyholder to become a Proprietor. At the first half-yearly General Meeting, thirty-four Proprietors were present—these had, presumably, paid the calls on their shares—and it was unanimously agreed that the amount of the Capital should be £500,000, instead of £1,000,000 as originally proposed. The Chairman, on behalf of the Directors, expressed the opinion that owing to the growing prosperity of the Society, it would not be necessary to make any additional calls beyond the £2 10s. per £100 share already sanctioned.

A month or two later the Board found it necessary to remind those of the original subscribers who had not yet paid the initial call that the increased demand for the Society's Shares rendered it expedient that the Books should be closed ; that the money had been required to be paid more than six months previously, and that unless paid within seven days, their names would be withdrawn from the list of Shareholders. In the case of later subscribers a less peremptory letter was sent and a request made for payment at the earliest convenient time.

Even before this date complaints had begun to arise from Proprietors about the non-delivery of their Shares. The Secretary explained to an indignant Agent that the delay was due to the

possibility that the Lord Chancellor would shortly bring before Parliament a Bill which might involve some alteration in the wording of Shares in Joint Stock Companies : after which, without doubt, the Shares of this Establishment would immediately bear a premium. The logic of Mr. Pinckard's argument may not appear to be entirely clear, but he clinched it by adding : " To a man of your penetration and knowledge of business, this explanation will, I trust, prove perfectly satisfactory." As a matter of fact, it did nothing of the kind, and the Agent wrote a few weeks later that nothing would satisfy the clamorous subscribers except the delivery of the Shares. On receiving this ultimatum, the Board promptly passed a resolution that the Shares, so alluded to, " be immediately filled up and forwarded to the Agent."

At the General Meeting held on December 1st, 1825, the Chairman announced that all the Shares had been not only distributed, but actually paid for ; and that these were all held by *bonâ fide* Subscribers, as was demonstrated by the fact that no share had hitherto been sold or even exposed for sale in the market.

Even then, however, the Directors' difficulties with regard to the Shares were not at an end. Certain of the Proprietors who, for some reason or

other, were dissatisfied, met together, and, "having discussed for several hours the affairs of the Society," addressed a letter to the Board unanimously requesting, in the names of themselves and of their families, that the Shares they held should be taken back again, and that the money paid for them should be immediately returned. A Special Meeting of the Board was at once convened, and the dissentient Shareholders were invited to attend. As, however, not one of the objectors was present when the Board met, the Directors, having waited for some time, passed a Resolution stating that it was out of their power to take back and pay for any Shares out of the monies of the Institution. After the Board Meeting had closed, Mr. Blunt, one of the signatories, arrived, and stated the circumstances which had caused so much dissatisfaction to himself and his friends. After hearing the explanation of the Directors, Mr. Blunt acknowledged his complaints to be groundless, and with this happy issue the incident ended.

It was not until July, 1827, that the Directors felt justified in declaring any dividend upon the Shares. The form of declaration was somewhat unusual, for the individual shareholders received a dividend at the rate of 4 per cent. per annum, "calculated from the time when the instalment on

each share was originally paid, down to the 30th day of June, 1827."

The paid-up Capital realised by the original call of 1824-25 amounted to £12,500 only, but the market value of the Shares has increased forty-fold during the intervening century. By a self-denying ordinance passed in 1825, the Shareholders decided to devote, towards the building up of the Capital, the whole proportion of the profits of the Institution to which they were entitled, until this Guarantee Reserve Fund, as it was termed, should have reached the sum of £50,000. It took twenty years for this process to be fully carried out.

Chapter VI

The Deed of Constitution

THE preparation of the Deed of Constitution proved to be a veritable nightmare to the Directors for a considerable period after the foundation of the Society. We have seen how business operations began as soon as a certain number of subscribers had been got together and a meeting had been held to elect Directors and Officers. But it was soon clear that the legal position had to be regularized. Instructions were accordingly given to the Solicitors for the immediate preparation of the Draft of the Deed of Settlement. It was hoped that this could be completed in time for the half-yearly meeting of Subscribers held on December 23rd, 1824, but the delays of the law are proverbial and the matter had to stand over. At the June meeting of the Subscribers the Chairman reported that the Analysis was now lying at the office and that the Deed itself would soon be ready for signature. Six months later he once more had to apologise to the Subscribers for the delay, explaining that the Directors had devoted much time to the examination of the document, and adding that "the Proprietors will surely not

hesitate to admit that an Instrument of such vital importance to the Society required an attentive and laborious investigation in order to perfect it, as far as practicable, for all purposes of the Institution." The Chairman concluded by stating that, "as soon as the Deed has received those corrections which may be deemed expedient, it will be engrossed and lodged at the Office for the Inspection and Signature of the Subscribers." Early in January, 1826, the Secretary again wrote to Mr. Bolton, the Society's Solicitor, expressing the dissatisfaction of the Directors with the delay and as Mr. Bolton did not acknowledge this letter, a more vehement protest was sent, signifying the "Displeasure of the Board." Even this proved to be of no avail, and the Deputy Chairman was then requested to wait upon Mr. Hanbury Jones, the Society's Counsel, in the hope of hastening matters. By March the Directors had become desperate, so they summoned a special meeting of the Proprietors to meet Mr. Bolton, in order that they might all hear from his own lips the explanation of these continued delays. The meeting, after an animated discussion, decided to leave the matter in the hands of Mr. Bolton and Mr. Hanbury Jones. A little later the Secretary reported that he had waited on Mr. Hanbury Jones, but could not secure an interview. The Deputy Chairman was

more successful and obtained a promise that the Deed should be forwarded in the course of a week. Further delay occurred and Mr. Hanbury Jones, in answer to renewed letters of protest from the Secretary, wrote :—

“ LINCOLN’S INN,

“ *Friday, June 9th, 1826.*

“ SIR,

“ Your letter has just reached me, conveying the great Dissatisfaction and Displeasure of your Directors. You must permit me, Sir, to reply, through you, to the Directors that I do not admit their right to beset me with official Censures, on any Subject, be my Demerits what they may. At the moment of the receipt of your letter I was most earnestly employed in completing the Draft of their Deed but I now hold my hand : for I never will, even impliedly, acknowledge the authority of any number of private Gentlemen, collectively or individually, to reprimand me. I have the Honor to be, Sir,

“ Your obedient Servant,

“ WM. HANBURY JONES.”

Mr. Bolton tried to smooth matters down by assuring the Board that he had very strong grounds for believing that he would be able to obtain the Deed at once ; but the Directors were not to be appeased and instructed Mr. Bolton to obtain the Deed—whether settled or unsettled—from Mr. Hanbury Jones within seven days.

On the 21st June Mr. Bolton obtained the Draft of the Deed, and a Committee of the Board was at once appointed to examine it. The Committee met in the evenings, on repeated occasions, beginning their work at 7 p.m. and sitting till 11 p.m. or even until after midnight. In September the Committee returned the Draft Deed to Mr. Bolton, desiring him to have a fair copy made, "with all the alterations inserted in proper technical language." They decided to have nothing more to do with Mr. Hanbury Jones and asked Mr. Bolton to furnish them with the names of "Conveyancers suitable for the purpose of settling such like Deeds." Various names were suggested and after due deliberation the Directors selected Mr. Brodie. To their dismay he returned the Deed entirely remodelled, giving as his reason that the Deed as submitted to him was not drawn and arranged on the Plan he had usually adopted. The Board bluntly refused to consider the amended Deed. They demanded the return of the original, "to which they had devoted such prolonged and careful consideration," and conveyed to the Solicitor "their surprise on finding their instructions departed from." Mr. Bolton wrote vehemently in protest; he claimed that he had faithfully carried out his written instructions, and that it was impossible for him to have conjectured "what the intentions

of the Board may have been." He added that it was really a condescension on the part of so eminent a Lawyer as Mr. Brodie to undertake the task of settling the Deed, dogged with the stipulation as to the time in which he was to perform it ; and that no Solicitor of any respectability would think it part of his duty to prescribe to Mr. Brodie as to the mode to be adopted. He begged to be permitted to express his opinion that the Deed, as it had come from Mr. Brodie's hands, was remarkable for the clearness of its arrangement and the perspicuity of its language ; and he respectfully declined so useless and ungracious an office as to lay it again before Mr. Brodie, accompanied with peremptory instructions to adhere to the original Plan. The Board returned a conciliatory answer to Mr. Bolton, and appointed a fresh Committee to examine Mr. Brodie's draft.

When this task had been completed a deputation from the Committee interviewed Mr. Brodie, and after a long Conference, the Directors engaged him to complete the Deed without delay. Much further correspondence took place, with little result. The Office Messenger was twice despatched to Mr. Brodie's chambers with an urgent letter, but that gentleman, it is minuted, " was not at home." Then the Chairman himself waited on Mr. Brodie

to tell him of the growing impatience of the Subscribers, and “ of the critical state in which the Directors are placed with regard to the Proprietors at large.” This last appeal proved effective, and a few days later the draft of the Deed was delivered. The Sub-Committee and the Solicitor met the next evening and on several subsequent evenings ; they conferred with Mr. Brodie, arranged certain minor alterations and revisions, and on February 14th, 1827—two years and a half after the opening of the negotiations—the Deed of Constitution, duly engrossed, was delivered at the Office.

The Deed itself, encased in a leather binding and enclosed in a large oak box, is a truly magnificent production. It contains 203 clauses, engrossed in fine penmanship on 51 parchment pages, each fully two feet high and eighteen inches wide. It was triumphantly presented to the Proprietors at the Annual General Court held on March 1st, 1827, and Dr. Pinckard, in his speech, remarked :—

“ The Directors have availed themselves of the protracted delay, which has occurred in preparing the Deed to render it more perfect and in all respects better fitted for the purpose of the Society—Not contenting themselves with having an instrument, of such great importance to the Establishment, settled by an individual Conveyancer, they have deemed it prudent to submit it to the opinion and revision of another

Counsel of distinguished talent and experience, who has prepared the Deeds of many of the most successful and best established Life Assurance Societies. . . . The Directors dare to hope that they have thus rendered the delay advantageous, by procuring a better digested and more complete instrument of its kind, than could have been obtained at an earlier period."

In view of all that we have learnt as to the inner history of the legal and domestic difficulties which the Directors had to face in preparing the Deed of Constitution, the ingenuous explanation of the position made by the Chairman to the Proprietors, really disarms all criticism and comment.

The Deed was executed by 325 Proprietors, and it is interesting to note that many of their signatures were witnessed by G. H. Pinckard, son of Joseph, the Secretary, and nephew of George, the Chairman.

Alas for the vanity of human intention ! It is sad to have to record that many amendments of the original provisions of the Deed had to be introduced from time to time ; culminating as we shall see later, in two Acts of Parliament ; the first of which gave the Society additional powers, while the second swept away the Deed of Constitution entirely !

Count of Wings Bristle at Washington

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And this Indenture further Witnesseth that the
 Thistle entered and confirmed and by their presence Do and each and
 hands

There is by the order or direction of them, as regard to the
 writings of the same, and the records in Property thereof or in any
 In Witness whereof the said parties to these
 presents have hereunto set their hands and seals the day and year
 first above written

Witnessed by the said named
 persons and others present
 at the time and place above written

J. Parker 30
 Charles Brown 20
 J. R. Ford 15
 Robert Brown 10
 J. R. Ford 30
 Robert Brown 50
 J. R. Ford 20
 Robert Brown

Name	Amount	Name	Amount
John A. H.	20	J. R. Ford	30
Robert A. H.	35	Robert Brown	20
J. R. Ford	15	Robert Brown	5
Robert Brown	10	J. R. Ford	10
J. R. Ford	30	Robert Brown	10
Robert Brown	50	J. R. Ford	10
J. R. Ford	20	Robert Brown	10
Robert Brown	10	J. R. Ford	10
J. R. Ford	30	Robert Brown	10
Robert Brown	50	J. R. Ford	10
J. R. Ford	20	Robert Brown	10

Chapter VII

Some Urgent Problems of 1824

THE mere commencement of active business and the acceptance of a few Life Assurance proposals did not do much to relieve the Directors from their initial difficulties. In fact, it created in its train a whole host of new problems. First and foremost, came the practical question of deciding what steps could be taken to collect from the original subscribers the call, already voted, of $2\frac{1}{2}$ per cent. upon the £100 shares which had been taken up; and what methods should be adopted to attract new subscribers. Of almost equal importance was the need for securing adequate publicity for the new Society without incurring undue expenditure. The Board had also to create, as I have already mentioned, a scale for measuring the additional charges needed in the case of lives subject to any form of additional hazard, whether arising from personal or hereditary defects or from climatic risks. Linked to these major and highly controversial considerations were the daily difficulties which had to be encountered.

Amongst the earliest of the questions which called for decision was that of fixing the rates to be quoted

for annuitants. The first annuity proposal was laid before the Directors on July 14th, 1824. In accordance with the Board practice when dealing with any fresh problem, the matter was postponed till the ensuing Wednesday, the Resident Secretary and Actuary being instructed "to ascertain the amount at which the Society can grant such annuity." The applicant was a lady aged 54, and eventually the sum of £1,150 was fixed as the purchase price for each £100 of Annuity. This is a cheap figure as compared with the cost of a similar annuity in 1924, but it was no doubt thought that the female annuitant of 1824 would not exhibit that exuberant degree of vitality which has become so characteristic of the class in modern days. The proposal was not completed.

Various Annuity quotations were made from time to time, the current yield of Consols being a factor in fixing the price. There are several cases recorded where 2s. or 1s. per cent. "more than the present Government price" was offered. In another case the Directors, on being asked to make a quotation, regarded a rate of £8 to £8 10s. per cent. as being suitable, but deferred making any quotation until the Secretary had ascertained what would be the amount granted by the Equitable or other well-established offices.

The first completed annuity gave the Directors a good deal of subsequent trouble. Long delay arose owing to the time needed by Counsel for advising as to the most suitable form to be adopted for the Society's Annuity contracts. After some three months had passed the Agent appealed to the Board. He begged the Directors to relieve him from the far from pleasant situation in which he was placed ; explaining that he had in vain made repeated applications for the delivery of the Policy ; that he had been made to bear the censure which ought not to have fallen upon his shoulders ; that the Annuitant's Solicitor, though a worthy man, could not avoid expressing himself excessively vexed and trifled with ; and that the Annuitant herself would have nothing more to do with the business and demanded her money back. The Directors sent a conciliatory letter in reply, pointing out that the main cause of the delay was the recent formation of the Society, that certain incidental expenses had been incurred, but that in the circumstances, as disclosed, the Board agreed to remit, in any way most agreeable to herself, the full sum paid for the purchase of the Annuity.

It was not until January, 1826, that the first Annuity was granted. This particular case was not a profitable transaction to the Society, for the lady

who effected the contract was then 63 years of age and she lived to enjoy her annuity for more than twenty years.

It is worthy of remark that so early as 1827 the Board accepted an annuity proposal, at enhanced terms, on a man stated, after examination by two Medical Directors, to be "in a precarious state of health." The terms offered were accepted and the Annuitant survived for thirty-six years, dying in 1863 at the age of 77. It proved to be a very poor bargain for the Society. The Annuitant had originally paid the sum of £1,100, and our records show that the value of the benefit he received exceeded three times this amount.

In 1838 the Directors came to the conclusion that this class of business was unprofitable and decided not to grant any more annuities, "during the present high price of the Funds." It was not until nearly seventy years later, in 1905, that annuity business was resumed.

Judged by the early prospectuses, the Society was prepared at the outset not only to sell, but to purchase annuities. Proposals of the latter class, however, appear to have been habitually turned down by the Directors, and it was not until a much later period that any such transaction was successfully carried through.

The problem of how to deal with a misstatement of age excited much interest. The Directors learnt from their Solicitor that policies became legally void in consequence of such a misrepresentation. They felt, however, that in cases where the misstatement was not discovered until after the death of the Assured, and where there was no reason to suspect fraud, some less drastic solution must be adopted. The Secretary was accordingly instructed to ascertain "the usage of the other Assurance Offices in London on similar occasions." The replies are delightful. The *Albion* reported that they had had many similar cases: that it was their practice to deny the claim at first, and then to deduct from it a little more than the amount of the difference in premium with compound interest—say £10 in place of £8—but they never failed in any one instance to pay the greater part of the Claim. A good many other offices adopted a similar practice and exacted a fine in addition to the difference of premium accumulated with compound interest. The *Hope* stated that where the error in age exceeded three years, the Policy, by the provisions of their Deed of Constitution was forfeited. Several offices, including the *Equitable*, replied that their Directors discussed the Business and acted upon their judgment. The *Atlas* thought that the most straightforward course

was to claim merely the payment of the arrears with interest. The *Union* took the same view and added rather patronisingly, that the best way for a Young Office would be to deduct the difference, with Interest, and pay the remainder in a handsome manner, as this might give the Society a character and do good. The *Pelican* said that there could be no rule in such cases : that the Policy was void : but that few offices would avail themselves of the opportunity to keep the money. The Secretary of the *Guardian* "quite laughed at the Question," and remarked that if the Directors who were acquainted with the whole transaction could not decide he could not decide for them. The Secretaries at several offices, it is mentioned, were not within when Mr. Pinckard called, and the Persons present were not prepared to answer the question.

The Directors, after various discussions on the subject, "deemed it expedient that some fine should be imposed in order to prevent the Society from being injured or frequently exposed to trouble and inconvenience by the carelessness, neglect or fraud of Individuals proposing for Assurance," and in the case which had brought about this prolonged enquiry fixed the fine at £5 per cent. of the sum assured.

Chapter VIII

Publicity Methods

OUR Founders must have felt that their task of devising effective methods for ensuring an adequate degree of publicity for the young Society was one of great perplexity. When we try to review the position, as it must have presented itself to the Directors in 1824, it is astounding to find how little—how very little—they had to offer to a public already so well supplied with every facility for meeting its Assurance needs. They could not point, as could the *Equitable*, to a long record of successful achievement ; nor could they even hope to be able to compete on equal terms with the powerful Proprietary Offices which had conducted their operations on an extended scale for many years past, and had thereby built up substantial reserve funds. The Capital resources on which our Directors could depend were, as we have seen, extremely small, and the premium rates of the Society, as originally fixed, were higher than those then charged by many of our rivals. Above all, the need for economy, as regards expenditure, was paramount. The one weapon which the Directors possessed was the power of

offering Life Assurance to persons rejected or ineligible elsewhere ; but this weapon, in its turn, proved to be double-edged ; for healthy persons could not readily be induced to join a newly-established institution which specialised in such speculative types of risk.

It soon became clear that the Directors, in framing their appeal for public support, had to rely mainly upon educative methods. After much deliberation they adopted three main lines of activity, in order to ensure the necessary publicity. They decided to advertise in the daily press ; to address letters and circulars to the professional classes ; and to inaugurate a system of personal propaganda, carried out by official " Travellers," who should explain, throughout the provinces, the scope, the objects and the special features of the Society.

An extensive programme of newspaper advertising was conducted during the summer and autumn months of 1824. The Board Minutes contain many resolutions laying down the names of the various daily papers in which advertisements were to be inserted ; and it is noteworthy that every such list includes the name of at least one Sunday newspaper. My readers must remember that in 1824 the Office was entitled the " Medical,

Clerical," and that it was not until a year or two later that "Clerical" took precedence of "Medical." These advertisements, regarded from a modern standpoint, sadly lack brevity and pith. They combine, in the most curious fashion, the spirit of the missionary, preaching the gospel of Life Assurance, with a direct appeal to the self-interest of the individual, who in some way or other had to be persuaded to take out a Policy with the new Society. As the result of this dual nature of the problem presented to the Board we find that emphasis was continually laid upon the Respectability—blessed word—of the Society, as indicated by its Directorship, its imposing list of Vice-Presidents and its august President. Attention was repeatedly called to the unique advantage which every proposer to the Society derived from the fact that one-half of the Directors were members of the Medical profession, thus ensuring that each candidate for Assurance could depend upon his case receiving the most minute and careful consideration. But to be candid, there was little else in these advertisements; not a word of argument could, in fact, be put forward, as to the nature of the security offered, beyond somewhat exaggerated references to the value of the protection afforded by the share capital—and even this, as we know, had, as yet, been only very partially subscribed.

After the first few months, any intensive campaign by way of newspaper advertisements seems to have been abandoned, and lithographed letters addressed to selected professional classes were substituted. The first appeal of this character was naturally made—as the *Minute* runs—“to the Clergy and the Medical Gentlemen.” The Directors ordered that letters, printed in the Lithographic Press, should be forwarded to every member of the two professions as speedily as possible. Shortly afterwards, similar letters were sent to Attorneys, Practitioners of the Law, Schoolmasters, Teachers of Medicine at the various Universities of Great Britain and Ireland, Apothecaries, etc.; finally, at the suggestion of a Shareholder, the Rev. James Macdonald, similar letters were sent to the Members of his Club—the University—to the Chapter Coffee House; to Rivingtons, Hatchets, Murrays and other Booksellers; and to the College of Physicians, the College of Surgeons, and the Society of Apothecaries.

In closing this Chapter, let me give extracts from one of these early and very lengthy letters, addressed to the Medical Profession.

“ September 30th, 1824.

“ SIR,

“ It having been suggested by a distinguished Teacher of Medicine that it might

conduce greatly to the benefit of the Profession in general, and especially of its younger branches, if the Professors and Teachers of the various Schools of Medicine, Anatomy and Surgery, could be prevailed upon in the course of their instructions, to notice the utility and the multiplied advantages which would result from the practice of early Life Assurance, the Board of Directors of the Medical, Clerical and General Life Assurance Society, beg respectfully to offer the subject to your consideration.

“ Without enlarging on the more obvious advantages of this and similar Institutions, the Directors are chiefly desirous of soliciting your attention to those particular exigencies of a professional Life which seem more especially to demand such a provision as these Societies are calculated to supply. In offering a few brief suggestions they feel confident that the good wishes of a benevolent Teacher, will not be confined within the circumscribed limits of an academic course of instruction, but will follow the rising Practitioner through the successive stages of professional progress, prompting him to recommend whatever may conduce to the benefit of the immediate objects of his care, or to the welfare of the Profession at large.

“ . . . A well regulated Life Assurance Society may be regarded as a Savings Bank, and possesses, at the same time advantages of a peculiar character. The practice of assuring lives begets habits of prudence and economy. . . . Habits of intellectual exertion are

promoted and the moral feelings are improved by the system of Life Assurance, which has a tendency to render the individual a more thinking, as well as a better and a happier man. By producing a calm and cheerful state of mind, and cherishing well founded hope, it will probably lead the rising Practitioner to pursue his laborious duties with vigour and alacrity, whilst the consciousness of having secured a comfortable provision for his family, will serve to heighten the endearments of domestic life, and thus preserve him from those destructive expedients, to which embarrassment and apprehension, too often impel their unhappy victims. . . . I am desired in conclusion to present the compliments of the Directors, and to add, that they venture to submit these considerations for your further reflection, in the hope that the practice recommended may appear to you, as it does to themselves, highly conducive to the happiness and respectability of the Medical Profession."

Chapter IX

Early Canvassers

THE earliest Travellers employed by the Society were Mr. Thomas Richards and Mr. C. N. Neale. The careers of these two gentlemen, so far as the Society is concerned, were short and tempestuous. It is my purpose in this Chapter to show something of the men themselves ; to set forth the multifarious duties they were asked to perform ; and to indicate the practical difficulties which surrounded them when they first set out upon their enterprise in the autumn of 1824.

I cannot refrain from setting out in full the very detailed and minute instructions which were laid down by the Board and handed to them by the Chairman, when they started out on their first tours of propaganda in the provincial towns.

Instructions.

1. On arriving at each Town, endeavour to obtain a List of the Clergy and Medical Men residing therein, and form a Street List for your own convenience.
2. Make a round of two or three hours very early each morning, in order to see those Gentlemen whose occupations take them early from home.

3. Where you cannot obtain an interview at your first visit, leave a Copy of the Prospectus, and a Card for each Gentleman, and call again.
4. Make it your business to see every Clergyman and Medical Man, and such other persons as may be likely to become Subscribers.
5. Make a second round in the middle of the Day among those Gentlemen whose business may not lead them early from home.
6. Call in the Afternoon or Evening upon such Gentlemen as you may with propriety wait on at that time of day.
7. Send Prospectuses to the Clergy and Medical Men, residing in the Villages, near to the Towns you visit—provided you cannot personally wait on them.
8. Keep a detailed and regular Journal of your Proceedings, to be laid before the Board of Directors on your return.
9. Write to the Resident Secretary the substance of the said Journal every third day, or oftener if necessary.
10. Enter the name of every person you shall wait on, and place his answer in the appropriate column of the Journal.
11. Make your appeal to the Medical Men soliciting their Patronage upon the ground of the Society, being, in a great measure a Professional Institution.

12. Urge a similar appeal to the Clergy—remarking that the Dignitaries, and other Members of the Church, who have joined it give their sanction, and support, upon the ground of its utility, as a Professional Institution for the Clerical Body.
13. Consult with the Gentlemen who appear to favor the Society, respecting a proper Person to be appointed Agent; but do not nominate anyone until you shall have heard from several persons assurances regarding his fitness and respectability.
14. Consult with those Gentlemen who consent to become Shareholders, respecting the formation of Provisional Boards of Directors, as well as the appointment of Agents.
15. In explaining the nature and object of the Institution be careful to dwell on its peculiar features; and to impress the Subscribers with the Probability of their finding it a profitable investment—they being entitled to Interest upon the money advanced—also to a share of the Profits of the business every 5 or 7 years, and most likely, after a short time, to a Premium upon their Shares.
16. Be prepared to remark that the amount of Capital will depend on the Number of Shares subscribed for, by the Members of the two Professions of the Church and Medicine—also that the Share-book will

- be closed, as soon as this shall be ascertained.
17. To inform each of the Agents that he will be required to be a Holder of not less than 10 Shares, or, to effect an insurance upon his own life (if insurable) to the Amount of at least £500—and that he will be allowed a commission of 5 per cent. upon all assurances, obtained through his means—that he also will be granted, a liberal allowance for other business.
 18. If objections should be made on the ground of a person's property becoming involved, the printed Extracts from the Policy, and from the Times Newspaper, may be used in proof of the contrary ; and it may be observed that most of the respectable Insurance Offices, act upon similar rules and regulations—especially the Equitable, which has existed 50 years and the Law Society—which was established only last year (1823) by a large Body of the shrewdest Members, of that Profession.
 19. Use all the Industry and Exertion you can, in order that the Directors may know, as soon as possible, the result of your Mission and be enabled to judge respecting the Propriety of continuing and extending this mode of application.

Confirmed September 22nd, 1824.

G. PINCKARD,

Chairman.

MR. THOMAS RICHARDS.

Mr. Thomas Richards, as we have seen, acted as pro-Secretary during the formation of the Society and was appointed Assistant Secretary at the first Board Meeting, his salary being fixed at £100 per annum.

He demurred to the proposed scale of salary and sent to the Directors the following letter :—

“ June 29th, 1824.

“ Gentlemen,

“ . . . During the last three months I have given all my time, and have devoted my mental and personal Exertions, wholly to the interests of the Institution ; and, if my services have been at all beneficial in forwarding the establishment of the Society, it is my wish to apply them with all the zeal I have hitherto done, and to endeavour by every means in my power, to promote the success and prosperity of the Institution.

“ Begging to offer these circumstances to your consideration, but acknowledging at the same time the Expediency of a well-directed economy in the arrangements of the Society until its prosperity shall be more securely established, I hope I shall stand excused, in respectfully soliciting, that the amount of my Salary for the first year may be £150, instead

of £100, which was proposed before I had an opportunity of presenting this explanation.

“ I have the honor to be Gentlemen,

“ Your most obedient Servant,

“ THOS. RICHARDS.”

The Board at once increased his salary to £150 and awarded him a special remuneration of £20 for past services. On these terms he set out on his journey to Bristol and Bath ; his immediate objects being “ to procure subscribers ; to obtain a knowledge of fit persons to be employed as agents, and to gain information as to the establishment of provincial Directors.” In one of his earliest letters he described in detail the various calls that he had paid, and he mentioned that he had forwarded Prospectuses to those persons whom he had failed to see : “ hoping that in this way a knowledge of the Institution might be extended as much as possible throughout these cities.” His letter ends : “ Most of the other offices are very much on the alert in the Provinces to extend their own interests as widely as possible.” A few weeks later, Mr. Richards was again despatched to Bristol and Bath ; receiving, as remuneration, his salary, his coach-hire and 6 / 6 a day “ for increased personal expenses.” After reporting the results of this journey, his letter to the Board continued :—

" . . . The Experience which I have had during these last three weeks has shown to me that this allowance is not adequate to defray my expenses and to allow of some trifling remuneration as a stimulus to my exertions. From the annexed Estimate a Calculation may be formed of the exact amount of my current expenses—and I respectfully submit the matter to your consideration with the full Conviction, that it could never have been your intention to make me a loser in transacting the business of the Institution : or to have withheld from me the Expectation of some remuneration for the Services rendered to the Society.

" I have the Honor to be Gentlemen,

" Your most obedient Servant,

" THOS. RICHARDS.

" *Estimate of a Day's Expenses at an Inn.*

Breakfast	..	..	1	9
Dinner	..	..	3	6
Beer ..	..	..		6
Tea ..	..	..	1	6
Bed ..	..	..	2	0
Waiter, etc. ..	..	..	2	0
				11 3

" These are the bare necessities including no Wine or other luxuries, and the Charges are those of the most moderate Houses.

" T. R."

The answer of the Directors was short and sharp: "Resolved: That Mr. Richards be required to return to the office forthwith." Peace must, however, have been patched up, as Mr. Richards was soon afterwards despatched on an extended tour in Devonshire and Cornwall. On this occasion he was allowed "a sovereign a day in lieu of salary and for defraying all travelling and personal expenses during his absence from London." Mr. Richards apparently accepted these terms, and started on his new journey, though one can hardly suppose that he can have been gratified by so literal an interpretation by the Directors of his own "recognition of the expediency of a well directed economy." It was not long before he realised that the new terms were insufficient for his needs and he wrote bluntly to the Board, stating that he considered his services to be inadequately remunerated, and declining any further interference in the concerns of the Institution unless the Directors would pay him his salary in addition to the allowance of a sovereign a day. He was promptly summoned back to London, interviewed by the Board, and his resignation accepted. He then wrote a long letter, extenuating his past action and pleading that, upon a more mature consideration, he humbly solicited a suspension of the Board's resolution. He respectfully implored the permission

of the Directors to proceed again on the route prescribed for him ; promised that in the prosecution of his duties he would use every exertion and endeavour to make every atonement for the trouble he had given : and closed his letter by stating that he would demand and expect no more remuneration than the allowance of 20s. per diem already awarded to him.

It was all in vain. Probably the Directors knew their Mr. Richards by this time ; for having summoned a special meeting of the Board to consider his appeal, it was " Resolved : That the previous action be confirmed." The Secretary was instructed to pay to Mr. Richards the balance of £6 due to him and to " express at the same time the surprise of the Directors on discovering from Mr. Richards's journal that he, without the consent or even the knowledge of the Board, had been absent from the duties of his appointment during a period of four days."

Mr. Richards at no time seems to have displayed any special aptitude for the work upon which he was engaged. He enlarges in his letter upon the circumstances " which necessarily precluded any great success," and upon the keen competition he encountered. He secured a few new shareholders,

visited doctors and clergy, posted copies of the prospectus to various persons whom he was unable to see, and did what he could to create a good impression as to the "general Plan and Objects of the Institution." He recorded that "many of the most eminent of the medical practitioners he had visited seem to consider the Institution precisely in that favourable and fraternal manner which will eventually be most conducive to its prosperity and permanent success." He does not appear to have secured a single proposal for Life Assurance. He recommended the name of one Agent—"a respectable bookseller"—but the Board refused to make the appointment. So far as one can see, the immediate results of his Mission were not very tangible: but it is only fair to bear in mind what an uphill task he was called upon to face.

MR. C. N. NEALE.

Mr. Neale was first engaged to collect share calls in London; but in the autumn of 1824, armed with a letter of Instructions from the Board identical with that furnished to Mr. Richards, he was despatched on an extensive tour in the Midlands and Yorkshire. He received an allowance of 16s. per day, out of which he had to defray all his expenses, both travelling and personal; and he was strictly forbidden to make any extra or additional

charge whatever upon the Funds of the Society. He reached London again early in December ; and the Board after expressing to him "their appreciation of the manner in which he had conducted the Business of his Mission, increased his remuneration from 16s. to 20s. per day." Mr. Neale appears to have appointed many agents and to have done his work well. He obtained the approval of the Directors to his suggestion that Agents should be supplied with Show-Boards, at a cost not exceeding £2 each. These were massive framed Boards, six feet high or more, painted black, with the name of the Society and that of the Agent painted in large white or yellow letters. One or two of them still exist to-day.

Mr. Neale in due course was instructed to proceed upon another Mission, and to visit, on this occasion, Windsor, Winchester, Southampton and other towns in the South of England. For some reason, which, unfortunately, does not appear, he refused to start. The Board minuted the disappointment which they had experienced on receiving this information and required him to commence his journey to Windsor without further delay. This he did and for many months afterwards Mr. Neale travelled continuously. On his return to London in June, 1825, he wrote to the Secretary

expressing “ the hope that the Directors would not object to increase his allowance by 5s. per diem, and that they would not think this request at all unreasonable.” The Directors, however, did not see their way to grant the increase asked for, and instructed Mr. Neale to set out forthwith upon his travels. Mr. Neale promptly resigned and his resignation was accepted. He wrote back at once stating that he was ready and willing to start work again on the old basis of remuneration, but trusting that the Directors would make him some present, in recognition of what they had kindly termed his “ essential services.” The Directors voted him a donation of £5, but refused to reinstate him or to employ him in any capacity. What follows deserves to be recorded verbatim from the Minute Book.

“ Mr. Neale, having at this period of the Meeting appeared abruptly in the Board-Room, and most rudely and indecently attempted to possess himself of the Report which he had this day presented to the Board, by forcibly snatching it from the hands of the Chairman :—

“ Having afterwards written in the Office, taken up stairs, and thrown into the Board Room the following Note—viz. :—

“ How can any Society hatched in fraud and matured in deception ever thrive ?

“And having further made use of opprobrious language to the Secretary and conducted himself offensively at the door of the Board Room—it was Resolved :—

“ That the payment of the donation of £5 voted this day to Mr. Neale be suspended until Wednesday next and that the Directors be summoned to attend that meeting.”

The Directors, on reconsideration, decided to adhere to their decision to pay a Donation of £5 to Mr. Neale, but declined to hold any further communication with him and instructed the Secretary to refuse him access to the Society's office ; authorising Mr. Pinckard, if necessary, to have recourse to legal measures to carry this Resolution into effect. At the next Board Meeting the following letter from Mr. Neale was read :—

“ LONDON, *3rd Augst.* 1825.

“ GENTLEMEN,

“ ‘ Iræ furor brevis est ’ is an old saying well known to us all. I therefore trust you will excuse my late violence and attribute it to my irritated and hurt feelings at the offer of so small a remuneration as £5. Should you be inclined to forget and forgive, I shall yet be willing to render the Society all the good in my power.

“ I have the honour to be, Gentlemen,

“ Your obt: hble: Servt,

“ CHS: NEALE.”

The Board resolved "That the Directors receive Mr. Neale's apology in which he requests them to forget and forgive what has passed." A week later Mr. Neale, humble and contrite, again appealed to the Board. This matter "was very amply discussed and after mature deliberation," the Directors voted him a sum of £14, so that he might no longer remain under the impression of being insufficiently rewarded for his past services.

Our Minutes throw no further light upon the subsequent careers of Mr. Thomas Richards and of Mr. C. N. Neale. After a century of oblivion, some passing episodes in their lives are here recorded; we catch but a glimpse of their personalities before they fall back once again into the shadows from which, for a few brief moments, they have emerged.

Chapter X

Extra Premiums

THE task of fixing extra premiums in the case of persons "deviating from the common standard of health," proved to be extremely perplexing in practice. There could not have been in 1824 any statistics available for measuring the rates of mortality likely to be experienced in such cases, and the Medical Directors necessarily had to rely mainly upon their professional acumen and judgment when assessing the additional premiums to be imposed. They made it their almost invariable rule that each candidate for assurance should be required to appear at the Office for examination. They also insisted that candidates should furnish reports from the usual medical attendant and from a private friend.

The diseases most commonly mentioned in the early days were asthma and gout. The addition charged for asthma was generally about 15 per cent. of the annual premium. But our Founders certainly had the courage of their convictions, for such proposals were often accepted at extra

premiums of 40 per cent., 50 per cent. or even 100 per cent.

As regards gout, it is almost hopeless to make the reader of 1924 realise how this disease was viewed in 1824. One can only assume that a century ago the word "Gout" must have been used to cover a multitude of ailments—personal and hereditary—much as the word "Neurasthenia" seems to be used to-day. Our Books include the case of a clergyman, who as an Eton schoolboy had suffered from gout in 1815—Waterloo Year. It is pleasing to state that this policyholder survived until 1891 and died at the venerable age of 92.

In the main, gout seems to have been regarded in 1824 as a malady which quite naturally accompanied middle-age, but which did not involve any great risk of early decease, though it might tend to shorten life. The bulk of the additions charged for gout vary from 10 per cent. to 25 per cent. or 30 per cent. of the annual premiums. There is one glorious exception. Early in July, 1824, Mr. Daniel Lousada made an application to assure his life for "one or two thousand pounds." He stated that for the past ten years he had been "inflicted with the gout," and furnished the names of the various doctors who had attended him. In due

course the Directors took the case into consideration. It was promptly postponed. Mr. Lousada returned to the attack and was asked to appear at the office. He wrote back that as he was so lame that he could not even move about his own house, it was impossible for him to attend. The case was again postponed. During the autumn various additional particulars were laid before the Board from time to time, and eventually the proposal was declined. Again the matter was reopened, and the Directors resolved :—

“ That a letter be written to Mr. Lousada, informing him that the Directors will accept his proposal for assuring the sum of £2,000 on his own life, provided he consent to pay an annual premium of £24 : 0 : 2 per cent., being an addition of £20 per cent. above the amount usually charged on healthy lives.”

History, unfortunately, does not give the answer made to the Directors by this gouty gentleman when he received their offer to accept his proposal at a premium six times larger than the normal, but as the case was not completed we may judge his reply to have been both emphatic and final.

Another proposal accepted at an enormous addition was that made by David Latouche, Esquire,

for a seven-year term assurance. Mr. Latouche was visited at his own residence by two of the Medical Directors. The Minutes tell us that the proposal was "very amply discussed and after mature deliberation" was accepted at an annual premium of £21 14s. 1d. per cent., being £20 above the normal rate. A little later the case was reopened and the additional premium reduced from £20 to £15 per cent. Mr. Latouche, however, was not to be tempted and refused to complete. So far as I can trace, the extra premium so imposed remains as the heaviest addition quoted by the Directors on any proposal submitted during the hundred years of our existence.

Apart from gout and asthma, the early records contain various reasons for imposing additions which read curiously to-day. "Imprisonment," "Confined in Fleet Prison," "Imprisoned in King's Bench Prison," occur several times—these, of course, being policies effected by creditors on the lives of persons imprisoned for debt. There are also cases rated up for "Residence in Ireland," or merely for being "Irishman." On February 10th, 1836, our Minute Book contains the following dry entry: "Resolved: that for the time to come no persons shall appear in the Minute Book to have been declined merely because they are Irish."

A small extra was imposed on the "Driver of a cab"; a heavy extra for being "Deaf and Dumb"; and on another who "Had had a fit and for unlimited risk of sea and climate." "Intemperance," was the cause of heavy additions in many cases, with smaller charges for "Occasional indulgence in drinking," or "Drinking ale to excess." One proposer was rated up on the ground of being "Short necked and a Commercial Traveller." "Corpulency" occurs again and again, but the most curious of all is the surcharge imposed on a man aged fifty for being "Lusty."

There are a few cases of lung trouble, but it is interesting to note that our early records do not contain a single instance of surcharge for any form of heart disease.

Proposals made by certain members of the Royal Family deserve notice. H.R.H. The Duke of Sussex became one of the Society's early policy-holders. In this case the Directors so far departed from their usual practice of requiring a proposer to appear at the office, as to instruct the Secretary to write a letter "desiring to know whether the Duke of Sussex will please to appear at the office on Wednesday next: or to permit two of the Medical Directors to wait on his Royal Highness

at any time before the next meeting of the Board.” The matter did not proceed further for many weeks, but eventually Dr. Pinckard and Dr. Smith waited on H.R.H. at Kensington Palace and, “as their Report concurred with that of the Referees,” the Board accepted the proposal for £3,000, “subject to the payment of 15 per cent. addition to the ordinary premium.” The case was completed and, as the Duke lived to attain the age of 70, the transaction was profitable to the Society.

It is recorded that the Duke of Sussex’s proposal was submitted to several offices, each of which “made their own calculation of the risk of H.R. Highness’s Life and in no two instances have they agreed, though the premiums averaged £6 per cent.” The Society “calculated the Premium much lower than the others.”

The Duke of York also made a proposal to the Society in 1825, and the Directors decided that “the same Measures should be pursued respecting this Proposal as were observed in the case of His Royal Highness the Duke of Sussex.” Their answer to an enquiry regarding “the rate of premium likely to be demanded” was cautious in the extreme. The Secretary was asked to point out that the ordinary premium may be readily ascertained from the Calculated Tables of the

Society; but that any addition which may be deemed requisite can only be fixed after a mature consideration of the Report made to the Board by the two Medical Directors who may be admitted to an Interview. The negotiations do not appear to have been carried any further. The Duke was then 63 years of age and a year later he died.

Several policies were granted upon the life of the Princess—afterwards Queen—Victoria, in connection with the West Country practice of granting leases on lives instead of for a term of years. A small addition was usually made to the normal premium in lieu of medical examination. A policy of this type was submitted in 1824 on the life of Miss Elizabeth Matilda Hubbard, but was postponed as the child was then under seven years of age. As soon as she had reached her seventh birthday, the application was renewed and the case was accepted. I well remember this old lady—irreverently called “Old Mother Hubbard” by the juniors—appearing at the office in 1892 to take her Cash Bonus. She was a policyholder for over 75 years. Even this record was surpassed by the case of Caroline, Princess of Cambridge, afterwards the Duchess of Mecklenburg-Strelitz. When she died in December, 1916, at the venerable age of 95 her policy had been in force for over 83 years.

Occasionally, the Directors' methods of dealing with invalid lives were not devoid of humour—if one may venture to apply such a term to persons who took so serious a view of their duties as did our honoured Founders. An illustration of this is given in the following chapter.

Chapter XI

Mr. J. Baker's proposal

THE case of Mr. John Baker deserves to be narrated in full. At the time of making his proposal, in the autumn of 1824, Mr. Baker was fifty years of age, and the Directors, after long investigation, decided to charge him a premium of £5 7s. 8d. per cent. in lieu of the ordinary premium of £4 10s. 8d. per cent., on the ground that he was subject to attacks of Asthma. The Secretary was instructed to tell this unfortunate gentleman that in the estimation of the Directors the probability of his life was thereby lessened by two years and that they calculated that he would live for fifteen years instead of for the normal period of seventeen years. Mr. Baker refused to pay the £5 7s. 8d. asked, and wrote to the Directors a letter, duly entered on the Minutes, in which he urged that all his friends thought that he ought not to pay beyond the Rate of a perfectly Healthy man : but that while he himself thought the addition charged was too high, he did not entirely share his friends' opinions and, to cut the matter short, he offered to pay £5 per cent. The Board having seriously discussed this sporting offer, passed a Minute

agreeing "to divide the difference of the amount at present existing between their proposal and that of Mr. Baker, and to grant an Assurance of £1,500 upon his life at the rate of £5 : 3 : 10 per cent." Mr. Baker replied that he was sorry not to become a member of the Society but that he really could not go beyond the last terms offered, viz. : £5 per cent. He added that he had the highest opinion of the utility and respectability of the Institution and that whether he became a member of it or not he most sincerely wished it success. Mr. Baker ended his letter by repeating a question he had put some time previously : "Can a healthy life be insured without going to London?"

The Directors instructed the Secretary to transmit the subjoined reply to Mr. Baker.

"SIR,

"I have to acknowledge the favour of your letter of October 26th, and in reply to the question therein contained, I beg to inform you, that it is the rule of this Society to require the personal attendance of Individuals, proposing for Assurance in all cases where it can be effected without great inconvenience ; but, in special cases, where it cannot be given without occasioning a serious Sacrifice, the Directors dispense with the personal appearance, and either obtain some additional report regarding the actual state of health, or charge the usual fine for non-attendance.

“ Allow me to add that the decision of the Board of Directors, communicated to you, in my last letter offered an accommodation altogether out of their usual Practice and that, it would be contrary to their mode of conducting business, to enter into the consideration of any new Conditions.

“ I am,

“ Sir,

“ Your obedient Servant,

“ J. PINCKARD.”

Mr. Baker acknowledged this letter in becoming terms and “ feeling that there would be some disappointment ” if he made no insurance, he accepted the Directors’ offer, expressing the hope that in a year or two he might present himself to the Board and be granted a further insurance upon better terms.

A year or so later Mr. John Baker made a further proposal and on this occasion he presented himself at the Board for examination. As his attacks of Asthma still persisted, the new proposal was accepted at an addition of 15 per cent. to the normal premium. Mr. Baker agreed to pay these terms, and it is interesting to be able to record that he survived until April, 1841. He thus justified the judgment of the Directors that his life was not quite up to the normal standard.

Chapter XII

Financial Problems a Century ago

HOW thankful our Directors of 1924 would be if their investment difficulties could be solved on such simple lines as those which their predecessors, slowly, but successfully, adopted a century ago.

In 1924 the task of selecting safe and profitable channels for the investment and re-investment of funds, reckoned in millions of pounds, is the paramount problem to which the attention of the Board has to be continuously directed. But in 1824 there were, as yet, no funds available for investment; and the acute problem which had to be faced was that of devising means for meeting the current demands upon their very meagre financial resources. The Directors, in fact, after launching the Society, were for many months passing through very difficult waters. On the one hand they were courageously accepting Life Assurance proposals up to a limit of £3,000 in individual cases: but on the other hand they knew that should a claim of any magnitude arise, they could only meet it by making a further call upon their shareholders, as the capital already subscribed was being swiftly

The modest expenditure of £2 2s. od. upon Medical Fees is explained by the fact that in 1824 it was the policyholder who found himself called upon to pay all such expenses, and it was only in most exceptional circumstances that the Society became liable.

A year later the total income had grown to £5,050 and as the expenditure fell to £1,561 a large balance was carried to the Consolidated Fund. From that point onwards the Directors had no further anxiety as to whether expenditure could be met out of income.

It was not until March, 1827, that the Directors received any remuneration for their services, and the Shareholders then voted a sum of £459 17s. 10d. to be divided between the Auditors and the Directors. As there were sixteen Directors, who had met weekly since June, 1824, some of whom had served on Committees which repeatedly sat for four hours or more in the evenings to examine the Deed of Constitution, the remuneration cannot be deemed excessive. The Board and Committee fees work out at less than 5s. per attendance from 1824-26, and for a good many years thereafter never exceeded 10s. We who, a century later, now reap the full reward of the altruistic labours of our

early Directors, must gratefully acknowledge their skill in laying the foundations of our future success, and the debt we owe to them for the unceasing attention which year after year they devoted to the interests of the Society in its struggling infancy.

Once the initial troubles had been solved of how to meet expenditure out of income, the investment problem began to exercise the minds of our Directors. At the outset, any surplus, as it arose, was invested in Exchequer Bills. The first purchase was made in November, 1824, the amount invested being £500. Similar investments were made at short intervals and eventually a few thousands of pounds were thus collected. In January, 1826, the entire holding was exchanged for Bank Stock, the matter being treated by the Board as one of extreme urgency as it was expected that "the King's Speech would tend to raise the price of Bank Stock to-morrow."

Early in 1825 the first Mortgage proposal was laid before the Directors. After prolonged negotiations the investment was approved, the rate of interest was fixed at 4 per cent., and the Society's Bankers were given the following instructions:—

"Please to sell two thousand five hundred pounds Exchequer Bills, belonging to the above

Society, which have been the longest purchased, and place the produce, to the Credit of the Directors, of the Society. And also please to transfer, from the Account of the Directors, to the Account of Mr. Wm. Sadler of Wilmington Square in your Books, the sum of three thousand Pounds, on his depositing with you, the Surrender, by way of Mortgage, of his Copyhold Estate in Suffolk for securing that Sum and Interest together, with his Deed of Covenant for better securing the same. You will also please to hand to Mr. Bolton, the Solicitor for the Society the said Surrender in order to enable him to get the same Registered or Filed with the Steward of the Lord of the Manor, of which the said Estate is held.

“ G. PINCKARD,

“ HENRY EARLE,

“ HENRY JAMES CHOLMELEY.”

Various investments were laid before the Directors from time to time. They were carefully discussed in every case, but after full consideration were almost invariably declined. Thus, we find an application from a policyholder for a loan on the security of his salary as Attorney General of Van Diemen's Land. In many cases a Clergyman would seek to borrow on the security of his “Church Preferment” or would ask for “an annuity on the sequestration of his living.” Reversionary interests in many forms were offered and

approved, but in no case does business appear to have resulted. The sale of an interest of this type dependent upon the death of a lunatic was promptly declined ; so was a reversionary interest secured " on houses near Worcester." Even a well-secured loan on a Policy in the *Amicable* Office was discouraged ; so was a Mortgage of £1,000 offered at 5 per cent. on what the Minute describes as " good security." Many quotations were made for the purchase of life interests in various forms, but in no case were the terms offered sufficiently attractive to induce the owners to sell. A Mr. Sellwood laid before the Board a proposal to borrow £3,000 upon the security of Leasehold Buildings, but the Secretary was instructed to inform him " that according to the regulations of this Society, no money can be advanced on Securities of the Description he proposes."

For the first few years the bulk of the current savings continued to find a home either in Exchequer Bonds, Bank of England Stock, and various types of Government Securities, or in Mortgages. As time went on a moderate amount of India Bonds and India Stocks was gradually purchased, but it was not until about 1830 that there came any notable development of the Directors' investment policy. Loans on Life Interests then began to be so

sedulously cultivated that twelve years after the foundation of the Society the sum invested in this type of security amounted to over £80,000, and represented nearly one-half of the total assets. As each of these loans needed a Life Policy for its protection, the shrewd judgment of our early Directors in deciding to cultivate this investment field in such a wholesale fashion excites our admiration and respect.

Chapter XIII

How a Life Policy was effected in 1824

IN previous chapters I have endeavoured to reproduce something of the atmosphere which existed at the Board Room Table a century ago.

It is even more difficult to strive to convey to the reader of 1924—save, perchance, to a few antiquarian students already steeped in knowledge of the social conditions existing in 1824—any picture, however inadequate, of the perplexities which had then to be faced by a candidate wishing to effect a Life Policy. The first step which he had to take was the selection of a suitable office. As we have seen, a large choice of offices was available, but as nearly all of these Institutions had then been in existence for a few years only he did not derive much guidance from a mere catalogue of names. He had, perforce, to obtain their prospectuses, and as the cost of postage in those days fell on the recipient this was a somewhat costly process. Let us take it, however, that as the result

of his preliminary investigations, his choice fell on the "Medical and Clerical." A study of the Prospectus, to be quite candid, afforded him the barest possible information. The document consisted of sixteen pages. After setting forth on the title page, the names of the President, Vice-Presidents, Directors, etc., the Prospectus proper then went on to explain that to the Statesman, the Philosopher, and the Philanthropist, the increase of *well-conducted Life Assurance Societies* would afford peculiar satisfaction, as such Institutions were calculated to provide against one of the heaviest calamities of life, while fostering those benevolent feelings and affections which added lustre to mankind; and that, it was, perhaps, beyond the power of human wisdom to devise any other means by which similar benefits could be afforded, or which would enable the anxious husband or parent, cut off before his time, to rescue his widowed partner or infant family from impending poverty and irretrievable distress. Apart from generalities of this type the only information given by the original prospectus was a statement that the PRINCIPLES upon which the Society was conducted enabled it to extend the advantages of Life Assurance to persons below the average standard of health. Next came a list of *Regulations*, stating the important advantages which might accrue to persons assuring at this Society ;

then followed four pages of premium tables ; rates being quoted for Whole Life, Joint Life, Survivorship and Term Assurances.

Not a word is said in the Prospectus as to the security offered—there is not even a reference to the subscribed capital. Nothing is said as to the conditions of Assurance, the facilities allowed for the revival of lapsed policies, the granting of surrender values, or any of the thousand and one inducements to assure, which are included as a matter of course in every modern prospectus.

As soon as our candidate had so far satisfied himself about the advantages offered by the Society as to decide upon submitting a proposal, he found that he had to forward a deposit of 20s. or 40s.,—according to the amount for which he wished to assure—and that if the contract were not completed within two calendar months his deposit became forfeited. He also learnt that if the amount of his assurance did not exceed £300, an addition of 5s. was made to the annual premium.

The filling up of a proposal form was a simple matter, as the candidate only had to furnish the names of two persons of good repute as Referees—one of whom had to be a member of the Medical profession—and to answer a few questions : If had

the Small Pox? If vaccinated? If subject to the Gout? If subject to any other disease? In the event of the Medical Referee of 1824 claiming a fee for his report, he had to depend upon the Candidate for payment of his professional charges. It was not until many years had elapsed that the Society substituted two lay Referees as unpaid advisers, and agreed to pay the customary fee to a Medical Referee for professional advice.

When the proposal form had been filled in, it was submitted to the Office in Great Russell Street, London. The delays which occurred in 1824 seem almost incredible from the point of view of 1924. The Secretary, after obtaining the authority of the Board, acknowledged the receipt of the proposal. In due course letters were sent to the Referees. No further steps were taken until their replies had been received and had been considered by the Board. This procedure often took a considerable time. As soon as the replies had been received, and, after perusal by the Directors, had been regarded as satisfactory, the Candidate was asked to appear, on a Wednesday, at a Board Meeting. If he did not so appear he had to pay the "customary fine for non-appearance." If he did appear, the Medical Directors examined him and reported to their colleagues whether the case was one which

could be accepted at the ordinary premium, or at an addition.

Having obtained the Directors' decision as to his eligibility for Assurance, the Candidate would naturally make some enquiries as to the conditions attaching to his Policy. He was informed—here I quote from the actual wording of an early Policy—that he might travel without extra charge and without invalidating his policy in any part of Great Britain and Ireland : or to and from the Islands of Guernsey, Jersey, Alderney, Sark or Man : and, in Time of Peace, he might cross the English Channel in Steam or other Decked Vessels, from any part of the United Kingdom to any part of the coast situate between the Zuyder Zee and Brest. Should, however, he go beyond these limits ; or die by Duelling ; or by his own Hands ; or by the Hands of Justice ; or if anything set forth or alleged in the proposal be untrue, deceptive or fraudulent, then the Policy of Assurance would be void and all the Monies thereon paid forfeited to the Society.

In his proposal form our Candidate was required to state both his date of Birth and his age next birthday. As his replies were recited in the Policy, it was perfectly natural that he should enquire from

the Directors how he stood in the event of any error or mis-statement as regards his age. He was informed, as we have already seen, that the difference of premium, accumulated with compound interest, would be due to the Society, and that in addition there would be payable a fine amounting to £5 per cent. of the Sum Assured.

The next conundrum put to the Board by our Candidate was an enquiry as to the scale of extra premium which would be charged in the event of his wishing to proceed abroad. After much correspondence, he learnt that he could visit Malta and Gibraltar on payment of an additional 10s. per cent. or that he could reside in Canada at the same annual addition. Residence in India would require an annual extra premium varying from £2 to £3 per cent.; Ceylon, £5 per cent.; San Domingo, £5 12s. per cent.; West Africa, £15 per cent.

He learnt on enquiry that twenty-one days were allowed for payment of a renewal premium and that, in the event of non-payment within that period, the policy ceased to be in force, but could be revived at any time within thirteen months "on payment of such a fine as the Board of Directors may think reasonable," and on satisfactory evidence being furnished that the Assured continued in good

health. On asking what would be the position in the event of his wishing to surrender the Policy, he found himself unable to glean much information of a practical character. The Secretary replied that the Directors had power to purchase policies on such terms as they thought fit, that until five premiums at least had been paid, the Board were not prepared to promise any surrender value at all : but that in exceptional cases a quotation might be made when three premiums only had been paid. It may be noted, as a matter of interest, that at this date the methods by which surrender values should be calculated had neither been sanctioned nor, so far as can be traced, had even been considered by the Board—such a question, in the first year of existence of a Life Assurance Office, being no doubt regarded as academic. As to the procedure adopted in these early days for calculating surrender values, our records leave no trace. The entries in the Minutes merely state the price recommended by the Secretary for the purchase of individual policies, and these quotations throw no light whatever as to the bases adopted. After careful investigation, I have come to the conclusion that each case was considered on its merits, and that in every instance the value named was governed more by motives of expediency, than by purely actuarial considerations.

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In answer to a further enquiry our Candidate was informed that, despite the stern provisions laid down in the Policy, the Board had resolved that if any person assured for at least five years "shall die by his own hands, but not *felo de se*, the Directors will, if they think proper, pay for the benefit of his family, any sum not exceeding what the Society would have paid for the purchase of his interest in the Policy if it had been surrendered to the Society the day previous to his decease."

Such were some of the practical difficulties and discouragements which faced a candidate who wished to assure his life with the Society in 1824. Is it surprising to add that, despite all appeals and all efforts for ensuring publicity, the total gleanings of the first six months' work were represented by 20 Policies effected for a total sum of £14,050 : and that in the ensuing six months, the additional policies granted were only 32 in number, assuring £30,250?

Chapter XIV

The Chairman's Speech to the Proprietors in 1829

THESE notes upon the earliest days of the Society may fittingly close with the speech which Dr. George Pinckard, the Chairman of the Society, addressed to the Proprietors at the Annual Meeting held on the 5th March, 1829 :—

“Contemplating this return of the Annual General Court, the Directors have long anticipated the pleasure of being able to lay before the Proprietors, a satisfactory Report, both as regards the general progress of the Society, and the state of its Finances, and they are happy in having it, now, in their power to state that the favorable predictions of its early friends have been even more than realised ; the business having increased beyond expectation, and the Society having fixed itself in an eminent station, in point of character and prosperity, amidst the most respectable class of similar Institutions.

“At the last Annual General Court the Directors had the gratification of announcing to the Proprietors, in proof of the high estimation, in which the Society was held, the eagerness

evinced by the Public, for purchasing the Shares. They have to remark, on the present occasion, that the few which have been presented for transfer have been gladly purchased by new Proprietors at a premium of not less than 20 per cent.—and the names of many persons are now left with the Secretary who are waiting for an opportunity of procuring any shares which may be offered for disposal. . . .

“ Examples of the favorable character which this Institution has acquired, in the public estimation, have also displayed themselves in the value which other Life Assurance Companies have been found to attach to the authority and decisions of the Clerical and Medical Society. The Proprietors will learn, perhaps without surprise, that it has come to the knowledge of the Directors that, at other respectable offices, the persons conducting the business have been anxious to guide themselves, in cases of doubly hazardous lives, by the calculations and premiums affixed by this Society. This indeed was a result to be expected from the very constitution of the Board of Directors, one-half of which is required by the Deed of Settlement to consist of experienced Medical Practitioners. Not only, therefore, may the Clerical and Medical Society claim the distinction of having been the first to extend the advantage of Life Assurance to a numerous and suffering class of persons, who were before excluded from its benefits but, by

the very provision contrived for conducting its concerns, it was calculated to give confidence to the Public, and to preserve unrivalled, the lead which it had taken by fixing itself, as a beacon, for the safe guidance of others, who might follow in the same course of business. . . .

“ The Proprietors will learn with pleasure that the improvement in the Society’s business has been steadily, and, it may be said, annually progressive, and that during the last year the increase has been so much greater than in any former year, that the amount of premiums received has nearly equalled the total amount received during the four preceding years. The number of Assurances granted in cases of extra risk, as compared with the number issued at the ordinary premium on healthy lives has been nearly one to three. The bare statement of this fact, displays the vast, and singular benefit, which the Society has conferred on the Public, by causing the comfort, and advantages of Life Assurances, to be extended to a numerous class of persons, who, notwithstanding that they required, in a special manner, the practice of Life Assurance, were exposed to the afflicting privation of being excluded from its benefits. . . .

“ Notwithstanding the great increase of business, the Directors have deemed it prudent to adhere, strictly, to that line of economy, to which the prosperous state of the Society has been mainly attributable. . . .

“ It is with peculiar satisfaction that the Directors have again to make known to the Proprietors the singular fortune which the Society has experienced, respecting the losses accruing by Death—they being still comparatively small and much below the common average. In the course of the last year four Policies have become claims, the sum assured on each being very small, and the total amount for decrements has not exceeded £700. Two of these Policies were granted at extra premiums on the lives of persons not in sound health—the others were insured at the ordinary premiums, on healthy lives. It will occur to the Proprietors that this is an example of good fortune, not to be procured by any caution or sagacity on the part of the Directors; but it may be admitted as proof of a sound discretion having been practised in the selection of the Assurances.

“ The almost unexampled good fortune, which has, hitherto, attended the Society, is further exemplified by the singular fact that on drawing a balance, from the commencement of its business to the present period, it appears that the amount received, in respect of cancelled, and purchased Policies alone, has exceeded by the sum of £305 14s. 7d. the amount of all the losses paid on the Policies which have fallen due.

“ The Consolidated Fund, or Accumulated Capital, has so increased as already to exceed the amount of the Proprietors invested Guarantee

Fund. It may be presumed, therefore, that the Consolidated or Business Fund will not only be fully competent to meet all the charges and liabilities, but also (provided the affairs of the Society shall continue as prosperous as they have hitherto been) that a surplus may remain to be distributed, as a Bonus, even at the first period fixed by the Deed of Constitution, for ascertaining the state of the general concerns of the Society, and the results of the business it has done : notwithstanding the heavy expenses attendant on the establishment and outfit, of an Institution of such magnitude and importance ; whose operations have already extended to a considerable portion of the United Kingdom."

At the conclusion of the Chairman's Speech, a ballot was held for the election of four Directors to take the place of those who retired by rotation. It was then

Resolved. That the Report on the present state of the Society and the Financial Report now read be adopted and entered on the Minutes of the present Meeting.

Resolved. That the thanks of this Meeting be given to the Board of Directors for the very able and satisfactory manner in which they have conducted the business of the Society.

Dr. Pinckard having left the Chair, it was unanimously

Resolved. That the thanks of the General Court of Proprietors be given to him for his conduct this day in the Chair and for his zealous and uniform attention to the interests of the Society.

The Accounts then presented showed that the premiums received during the year ended June 30th, 1828, amounted to £11,199 and the other income to £2,190; that after providing for total outgoings of £6,945, a balance of £6,444 was carried to the Consolidated Fund; and that this Fund was thus raised to a total of £15,717, exclusive of the Proprietors' Paid-up Capital of £12,500. It may be added that the number of policies in force at that date was 363, assuring the sum of £300,521, and carrying annual premiums of £11,385.

A few days after the Meeting the Chairman proposed that the Directors and Ex-Directors, the Auditors and Ex-Auditors "be invited to hold a social Festival, by dining together at the Freemasons' Tavern on Thursday the 18th day of June next, in Honor of the Society—each person present defraying an equal share of the expence." The proposal was warmly taken up, a small Committee of Directors was appointed to arrange the details and Colonel Chichester was voted to the Chair. Twenty-eight gentlemen attended this, the first festival dinner of the Society.

In 1830 the Proprietors were so pleased with the Bonus prospects and so confident that the success of the Society was now established beyond all possibility of doubt that, as an expression of their appreciation, they unanimously voted Dr. Pinckard "a piece of Plate of the value of one hundred Guineas, with a suitable inscription to be determined by the Board of Directors." They also increased the scale of the Directors' Fees from half a guinea to one guinea for each attendance.

SECTION II



BLOOMSBURY

Chapter XV

The Passing Years

THE first section of this little volume of reminiscences has, designedly, been devoted to tracing out, in such detail as is now practicable, the history of the infant days of the Society, and, so far as I can learn, no such intimate record of the earliest history of any purely Life Assurance Office has yet been published. We have seen something of the troubles which beset our Founders : their struggles at the outset against the adverse conditions of the times : their hard fight for recognition : the emphasis which they so continuously laid upon their governing principle—the provision of Life Assurance for those hitherto debarred from its advantages by health conditions : their financial worries : their domestic and staff problems : their hopes and fears : their gradual conquest of all the preliminary difficulties : and, finally, their joy in realising that the corner had at length been turned and that the foundations of success had been laid. To all those who, to-day, have the interests of the Society so much at heart, our ancient volumes present a fascinating study : even to those who may not be so closely associated

with Life Assurance matters, the story presents a fine example of human struggle and of sustained effort in pursuance of a most worthy aim.

Our review must now move on more rapidly. The record of the first seven years of the Society is one of expansion. The new business grew rapidly. By 1831 it had reached £200,000 per annum, a figure which on the average, was not greatly exceeded during the ensuing twenty-five years. It was not, in fact, until the Society abandoned Bloomsbury for St. James's Square in 1856 that much further increase in the magnitude of our transactions took place. The premium and interest incomes rose steadily year by year. So did the "Consolidated Fund." And, as was inevitable, the Death claims rose steadily also, though the Directors were always able to point to the total as being moderate in relation to the amount anticipated. We need not dwell on the details of the figures, for these present few features of any special interest, and are in general accord with those of any other sturdy young Life Assurance Office which had passed successfully through the manifold crises of its infantile days.

There are, however, a few points to which attention may usefully be called. Looking back, as one

now does, over nearly a hundred years, it is astonishing to contrast the extreme caution of the Directors as regards investments or productive expenditure with their conscientious but speculative judgments in assessing the most extreme type of invalid lives. For example, in 1827, the Board Minutes record that a certain Mr. Harris, aged 67, submitted a proposal for an assurance of £1,200 upon his life: he was stated to be "corpulent, addicted to the pleasures of the Table, he had lost a leg and he took his exercise in a carriage." Despite all these adverse features the proposal was, "after mature and full deliberation" accepted at the enormous annual premium of £21 10s. per cent., being two and a half times the normal rate. As Mr. Harris refused to accept these terms the Society escaped what, humanly speaking, must have proved to be a severe loss. Take another instance. A man aged 33 submitted an application for an assurance of £1,000 on his life. He was examined by two of the Medical Directors and the evidence showed that he was habitually intemperate. After full consideration, the proposal was accepted at a heavy addition, the rate of premium quoted being equivalent to that charged in the case of a healthy person 60 years of age. He accepted the terms, completed his policy and within three years the claim had to be paid.

Nor did the Directors hesitate to accept all sorts of special risks. They printed a table of single and annual premiums for providing an Endowment of £100 to children on attaining the age of 21. In the case of infants the rates were graduated, downwards, according as the age was "under one year, under six months, under three months, or *before birth*." For a newly born infant a single payment of £29 provided £100 at age 21.

Policies payable in the event of Issue being born were occasionally granted and quotations were freely made for every conceivable type of contingent assurance. As regards quotations for Immediate Annuities, the Directors were somewhat wary. For many years they refused to issue any fixed table, as they knew themselves to be exposed to the competition of the Government, whose rates varied with the price of the Funds. The Secretary was instructed to inform enquirers that "no fixed Table of Annuities had been calculated for this Society, the amount to be granted being liable to fluctuate, according to the nature of the Security and other circumstances." In practice this meant, as we have seen, that the normal quotations were 1s. or 2s. per cent. above the Government standard, but that when the "circumstances" justified it, a higher quotation could be made.

As years went on the proportion of policies granted on healthy lives steadily increased, though the Directors zealously continued to pursue their original mission of providing Life Assurance for those hitherto regarded as ineligible. The Board were keenly alive to the necessity of sifting such cases with great care. The early records contain many warnings against the dangers of "deceit" in dealing with proposals on invalid lives ; and the Chairman, in one of his annual speeches to the Proprietors, remarked that "The Directors have deemed it prudent to adhere to their usual caution in selecting the most promising Assurances from among the great numbers offered for their consideration ; instead of engaging in extreme and speculative hazards for the purpose of multiplying the number of Policies and exhibiting a delusive display of unsound and ill-chosen business." But on every occasion attention was directed to "the new and leading branch which has been added to Life Assurance by the Clerical and Medical Society." The Chairman's wise words of 1829 were constantly reproduced.

Naturally the Clergy and the Medical Practitioners formed a large percentage of the whole body of the lives assured in the earlier years. The Clergy especially predominated, and the Chairman on

more than one occasion called the attention of the Proprietors to the fact that "from their regular habits and moral conduct the Clergy form the most favorable class for Life Assurance." He added, "it is manifest that if the Clerical Body, constituting the most learned, most moral and most influential class of the Community, are becoming duly impressed with the benefits derivable from Life Assurance, their example cannot fail to cause the practice to be more widely diffused throughout the other classes of Society." It may be noted that the Society was founded five years before our powerful competitor, the *Clergy Mutual*, came into existence.

References to the Medical Profession are mainly confined to statements as to the advantages derived by the Society in having so many eminent and experienced practitioners on the Directorate. Perhaps the Chairman, himself a distinguished Physician, felt precluded from saying much upon the subject ; but on one occasion, as an illustration of the rigorous economy exercised by the Directors, he mentioned to the Proprietors that the constitution of the Board occasioned a great saving under the head of Medical Fees. "At most other offices," said Dr. Pinckard, "a Fee is paid to a Medical Practitioner upon every Policy, or a Medical Officer

is appointed at a considerable salary, for the purpose of examining the individuals offering for Assurance : whereas at the Clerical and Medical Office this duty is performed by the Professional Members of the Board without any charge or cost to the Society."

Apart from the ethics of this procedure—as applied to the Medical Directors—it should be recorded that the fees then paid for Board attendances were absurdly small. It will be recalled that the Directors met every Wednesday throughout the year and that they made it their invariable practice to discuss every aspect of the Society's business in minute detail. During the first eighteen months, the Directors refused to accept any remuneration whatever, and it was not until January, 1826, that they felt justified in asking the Proprietors to saddle the finances of the Society with the very modest fee of half a guinea for each attendance of a Director at a Board Meeting. A few years later the Proprietors agreed, that, "as a remuneration for the time and trouble expended by the Directors in conducting the business of the Society, a fee of one guinea should thenceforth be paid to each Director present at the Board, provided nevertheless that no Director shall be entitled to receive such payment unless he shall be present at the Board when the Chair shall be taken and

shall continue present until the Meeting of the Board shall be dissolved."

Our records, unfortunately, provide no information as to how this severe provision was interpreted by the Directors. But there can be little question that in those days the power of the Chairman over his colleagues was a very real one and that he was far from being merely *primus inter pares*. His authority was, in fact, so great that, by Board Minute, his colleagues were always required to stand up when addressing him. So far as can be traced, this early Minute has never been cancelled ; but I fancy that any of our more recent Chairmen would be sadly perplexed if his attention were to be called to the continued existence of such an embarrassing regulation. Nothing appears to have been recorded respecting the attitude which Brother Joseph, the Secretary, was expected to adopt towards Brother George, the Chairman. One knows, however, that, towards the close of the second quarter of the last century, the respected Actuary of another Office—a man who died only comparatively recently at a very advanced age—always had to *stand* behind the Chairman throughout the Board meetings. Brother Joseph, we may fancy, never had to do this.

Chapter XVI

Our Bloomsbury Homes

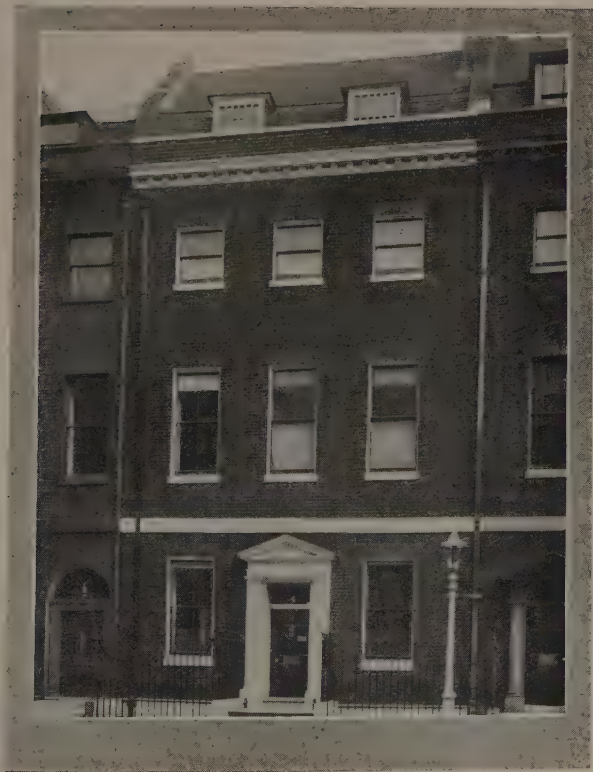
FROM the first little house in Bloomsbury to the stately surroundings of St. James's Square is a long journey, and several stages had to be travelled before the Society settled down into a permanent home.

The immediate effect of the general expansion of the business was that the Directors found their existing office, 32, Great Russell Street, to be inconveniently small. Early in 1827 they secured new quarters at No. 4, Southampton Street, and were able to report to the Proprietors that "the lease had been purchased on terms so favourable that it will be held at a rate very little exceeding the rent paid for the smaller House in which the Society's business has been hitherto transacted." The Lease cost £350, fixtures £110, repairs and alterations £160, office furniture £28; and £30 was expended in the purchase of 16 Chairs for the Board Room.

On taking possession, the Directors ordered that the name of the Society should be painted in bold type on the front of the new house, but trouble at once arose with the neighbouring tenants, who

objected to any advertisements of the office appearing on the outside of the building. Mr. Kibblewhite, the Deputy Chairman, and another Director interviewed "the Parties, who objected against the Inscription remaining on the Society's House"; but their intervention proved unsuccessful. The Secretary was then instructed to go to the Duke of Bedford's office and tender the rent that was due. Even this financial bait proved a failure, for the Duke's Agent refused to accept the rent unless the Inscription should be erased. The Minute records that it was accordingly removed.

Four years later the continued expansion of the business forced the Society to make a further move. One of the Shareholders sent a letter to Mr. Kibblewhite suggesting that much greater publicity could be secured if the Office were to be moved to No. 78, Great Russell Street, a fine house situated at the south-western corner of Montague Street, immediately opposite to the Bedford Estate Office. The matter was discussed at the Board and a Committee appointed to look into the matter. As the result of prolonged negotiations it was found practicable to purchase a fourteen-year lease for the sum of £750, subject to the consent of the Duke of Bedford being obtained as regards the necessary alterations. The crux of the problem—as



4 SOUTHAMPTON STREET.
The Society's Second Home.

in the case of the Southampton Street building—arose over what was to be permitted in the way of advertisement of the Society's business. The Directors asked for power to place an inscription of the name of the Society upon two sides of the House, *i.e.*, those facing Great Russell Street and Montague Street. The Architect demurred, urging that an inscription on the Great Russell Street frontage would "render the house sufficiently conspicuous, and that to repeat the inscription on the Montague Street side would be too much in the character of a pushing Trade, rather than the more respectable one of this Society." The Agent of the Duke of Bedford went a stage further, and reduced the size of the proposed inscription on the Great Russell Street side. "Would it not be much better and more respectable," he wrote, "if the inscription were placed upon the Portico and not upon the entire front of the house—it would be less trade-like." He continued his letter, somewhat caustically, as follows: "I see no objection to the Stucco being continued, as proposed, on the east flank wall, and on the north wall also, if required, but there must not be any inscription on these sides. No such inscription indeed could be necessary, for the house would, by the changes proposed, acquire so distinctive an appearance from any near to it, that it would not fail to draw attention to itself."

The costs for removal on this occasion were far more serious than in 1827. Tenders were issued to three firms—one of which was Messrs. Cubitt—and eventually a quotation of £549 10s. was accepted. Strong Room accommodation and other extras added largely to the costs originally contemplated, and an additional bill had to be faced for the removal and refixing of the office fittings. The Directors also had the lease of their old house left on their hands, and it was some time before they could find a purchaser, although they offered to dispose of it on exceptionally cheap terms.

As regards the Southampton Street House, it is amusing to contrast the enthusiasm of the Chairman's speech on taking possession in 1827, with his rather contemptuous references to it in 1832. In 1827 Dr. Pinckard congratulated the Proprietors on having secured "such very commodious premises," and he called their attention to the "very great improvement which the change had effected, both as respects the office and the general accommodation for conducting the business of the Society." But by 1832, No. 4, Southampton Street had become "the obscure building where the business of the Society was before conducted"; whereas the new home, No. 78, Great Russell Street,



99 GREAT RUSSELL STREET.
The Society's Fourth Home.

was described as "not only much larger, but far more commodious : and from its peculiar situation calculated to give an extensive and beneficial publicity to the Society." The Chairman proceeded to explain that "the lease of these valuable premises had been secured on very reasonable terms" and that the Society was "now permanently settled in this appropriate and highly respectable Mansion at a very moderate rent."

Here the Society remained for fourteen years. In the meantime the Bedford Estate had sold the freehold to the Trustees of the British Museum, and when the Society's lease expired in 1846, it was found impracticable to secure a renewal, as the site was required for the forecourt of the new buildings then being erected by Sir R. Smirke. Shortly after the Society's removal, the old house was pulled down, and to my great regret it has not been found practicable to include a picture of our third Bloomsbury home in this volume of Reminiscences.

And so the Society was once more forced to look about for a new home. The choice of the Directors now fell on No. 99, Great Russell Street—the oldest and undoubtedly the finest house in this historic street. In this instance the cost of removal was far greater than on any previous occasions. The

amount paid to the builder for alterations and repairs exceeded £1,250, and there were heavy incidental expenses for furniture and fittings. But the new house was spacious and dignified. It was built at the end of the seventeenth century, in the days of King William and Queen Mary, and at a later date Dr. Johnson was a frequent visitor. It contains some fine ceilings and decorative features.

Ten years later the growth of the business rendered another move necessary. After the fullest consideration, and despite much opposition from certain of the older Members of the Board, the Directors at last decided to abandon the traditions built up during 30 years of residence in Bloomsbury and to purchase its own freehold elsewhere. The story of the removal to St. James's Square, in 1856, will be recorded in a subsequent chapter.

Chapter XVII

Our Early Bonus Declarations

AT the outset of our history in 1824, the Directors must have been fully conscious of the many difficult questions which would inevitably arise at an early date, should their main policy of accepting invalid lives prove successful and result in a handsome margin of profit. They decided, very wisely, to allow these problems to remain dormant for a time, in order that a sufficient interval might elapse before they were called upon to judge the results of the experiment, which, as pioneers, they had so boldly undertaken. The Deed of Constitution accordingly provided that the first investigation into the actuarial condition of the Society should not be made until seven years had elapsed from the date of the Foundation ; but that, thereafter, an investigation should be made every five years.

An entirely novel Bonus system was devised on lines most ingeniously adapted to the special needs of the Society. It was promptly recognised by the Directors that persons who, by reason of impaired health, were called upon to pay an additional rate

of premium should, in equity, receive some additional scale of Bonus allotment, and the Board accordingly decided that the basis of division should be the amount of the premiums paid in each Bonus period, rather than the amount of the Sum Assured—the method which hitherto had been the general standard for the allocation of profits. By this means, a policyholder who had been charged twice the normal scale of premium became entitled to receive twice the normal proportion of divisible surplus.

The Deed of Constitution provided that a policyholder should not be entitled to share in the Bonus distribution unless he were assured under a Whole Life Policy and had paid at least five annual premiums. Contingent Assurances, Term Assurances, etc., did not participate in Bonuses.

In March, 1829, the Directors indicated to the Proprietors that Bonus prospects were satisfactory and in 1830 and 1831 they repeated this statement with added emphasis. True, however, to the Society's motto—"Cavendo Tutus,"—they inserted a precautionary note by stating that "while still entertaining the expectation that there will remain, after satisfying all the liabilities, a balance to be distributed by way of Bonus among the Assured and the Proprietors, yet this must very much depend upon the number of Deaths which may

happen before the end of the month of June next, the period specified, by the Terms of the Deed, for entering upon the Calculations."

All turned out well, and on the 5th January, 1832, the Society declared its first Bonus. The Chairman, Dr. Pinckard, read the following Report :—

" The Duty, which this day devolves upon the Directors is the most satisfactory, which they have had to perform, since the Proprietors first honored them with their Confidence, by committing to their management the affairs of the Society. . . .

" Recollecting, as all its friends may, the many difficulties which beset the Birth of the Society, and the Storms, and the Dangers, which threatened it during its infancy, the Directors experience much gratification, in finding themselves enabled to call the Assured and the Proprietors together, at this Period, in obedience to the Regulations, of the Deed of Constitution, for the purpose of declaring to them, a Bonus, out of the Profits, arising from the general business of the Institution. . . .
. . . a Bonus, which, although not of very great magnitude, they trust will be such, as not to disappoint the expectations of the parties concerned.

" The portion to be appropriated to the Assured will give, at its present amount £22 per cent. on the actual premiums paid ; and at its reversionary Amount (to be paid whenever

the Policies shall become claims) it will not be less than £33 per cent. The Directors are not aware that any similar Society, has declared a Bonus of a higher, or even of an equal rate, at the first Septennial Period, after its establishment. . . .

“By steady perseverance and prudent economy the Society has braved all the perils that surrounded it, and the Directors may now congratulate its friends and supporters on its being advanced, beyond the probability of failure. . . . From the high and respectable character which the Society has already established, there is just cause to expect, that, in its maturity, it will maintain a still more elevated station amidst the most approved Institutions of its class.”

The Chairman then stated :— £ s. d.

That the Consolidated Fund	
amounted on the 30th day	
of June, 1831, to 	69,146 12 7

That the Liabilities, or calculated value of the Policies,	
Annuities, etc., amounted to	53,969 9 10

Leaving a balance of ..	£15,177 2 9
------------------------------	--

The sum of £15,000 was regarded as divisible profit ; one-sixth share, amounting to £2,500, was allotted to the Proprietors : three-sixths, representing £7,500, to the Policyholders : and the remaining

two-sixths, £5,000, were held back as a "Reserved Fund." Neither Proprietors nor Policyholders were allowed to derive any direct cash advantage from the Bonus declaration. The £2,500 allocated to the Proprietors was added to the paid-up Capital: while the £7,500 falling to the Policyholders was converted into Reversionary additions, payable with the Sum Assured at death. The Policyholders were, however, entitled to use their Bonus in the form of a reduction of the future premiums, should they so wish.

As a matter of historical interest, it may be added that the number of Policyholders entitled to participate in this distribution was 178, assured for a total sum of £150,121, and that the annual premiums payable slightly exceeded £6,000. This, of course, did not represent the real liabilities of the Society at the date of the Bonus declaration; for, as we have seen, all Whole Life Policies on which less than five annual premiums had been paid, and various special types of policies were excluded from benefit. There were, in fact, at that date, 968 policies in force, assuring the sum of £740,730 and carrying annual premiums amounting to £29,227. This, indeed, accounts for the magnitude of the Bonus allotments in 1832. The relatively few entrants of 1824-27 shared between

them the whole of the profits earned not only by themselves but by the entire body of members.

At the ensuing declaration in 1837, the number of members entitled to participate formed a far larger proportion of the whole body than had been the case five years previously ; and for this reason alone it could hardly have been expected that the individual allotments could be on so satisfactory a scale as those declared in 1832. But apart from this special feature, which was inherent in the Bonus system in those early days, the times were far from propitious for Life Assurance Offices. The country was ravaged by epidemics of cholera and influenza.

Dr. Pinckard, in one of his annual addresses says :—

“ The invasion of a pestilential disease, the Cholera Morbus, during the past year could not but be regarded as a perilous occurrence for this and all similar Institutions ; and few, if any, Life Assurance Companies, have escaped without experiencing heavy losses from the visitation of this malignant disorder. The Clerical, Medical has in some degree felt its influence.”

A year later he again refers to this dread disease :—

“ At the period up to which our last Annual Report was continued, this Society, in common with all similar Institutions in London, was suffering from that terror of Assurance Offices, the Cholera Morbus. The present report contains the result of the second invasion of that direful disorder, which continued through several months. It also includes many deaths occasioned by another fearful visitor, whose invasion was not less destructive, and consequently not less disastrous to Assurance Societies than the Cholera, viz., the Influenza, which raged during the spring of last year and occasioned many heavy losses.”

In such circumstances a high scale of Bonus could not be earned and it is not astonishing to find that the share of Surplus allotted to the policyholders in 1837 represented only about 8 per cent. of the annual premiums paid during the five years, as compared with the 22 per cent. declared in 1832. The surplus divided was, however, slightly larger, being £19,500—an increase of £4,500 over the figure of 1832. The share falling to the Proprietors was again added to the paid-up Capital.

Between 1835 and 1841 no less than 47 new Life Assurance offices were established, and our records contain many references to the growing competition which had to be faced. During these years the new business of the Society exhibited a slow, but

steady expansion; a more favourable death rate was experienced, and the expenses of management were resolutely kept within very moderate limits. As the result of this cautious policy the surplus divided in 1842 jumped up from £19,500 to £88,500, and the share of each policyholder represented, on this occasion, 19 per cent. of the premiums he had paid during the Bonus period.

A very curious method was adopted for valuing the £157,000 invested in Government Securities. The cost price of all purchases of Consols, etc., which had been made from the commencement of the Society to June 30th, 1841, was worked out, and the average cost price so obtained was taken as the valuation standard. Consols were accordingly valued at $89\frac{1}{8}$, 3 per cent. Reduced at $90\frac{7}{8}$ and the New $3\frac{1}{2}$ per cents. at $100\frac{1}{8}$. As the price of Consols ranged during 1841 from a maximum of $90\frac{1}{2}$ to a minimum of $87\frac{1}{4}$, it would appear as though the price chosen was fairly in accordance with the market value of the day.

In 1847 the rate of progress was even more satisfactory; the surplus amounted to £154,500, and each policyholder received an allotment equivalent to 25 per cent. of his payments during the five-year period.

This was the last Bonus but one declared under the original system, which, as already mentioned, excluded from participation all policyholders who had paid less than five annual premiums. The one-sixth share of the surplus which was allotted to the Proprietors was used, in the first place, to raise the paid-up Capital to £50,000, and the balance was divided amongst them in cash. The policyholders received their usual three-sixths, and the remaining two-sixths, amounting on this occasion to £51,500, were, as hitherto, retained as a Reserve Fund.

It is of great significance and interest to note that even in those early days of struggle, the Directors were keenly alive to the advantages of building up strong reserve funds, and I may fittingly close this chapter with the following extract from the printed Bonus Report of 1847 :—

“ In estimating the amount of Liabilities it is important to observe that every Policy has been valued separately and with great care ; that there has been no encroachment upon future profits but that a mode of valuation has been adopted whereby a larger sum is retained to meet such claims as may arise than is usual with most other offices. This will appear by the following examples :

Sums set aside as the value of a Policy for £1,000.	By Offices valuing by the Northampton 3% Table.	By the mode adopted by this Office.	Difference in favour of this Office.
	£ s. d.	£ s. d.	£ s. d.
Effected at the age of 40, after 10 years	152 3 7	158 8 5	6 4 10
Effected at the age of 50, after 10 years	197 17 3	215 2 0	17 4 9
Effected at the age of 60, after 10 years	282 7 5	326 3 0	43 15 7

“ It is clear then that the prospects of the Policy Holders at future divisions are most favourable, partly from the unusually large sum retained to meet claims as shown above, and partly from the reserve of so considerable an amount as £51,500 out of profits thus ascertained.”

Chapter XVIII

The Pinckard Family

THE close connection of the Pinckard family with the history and development of the Society is of so prolonged and so remarkable a character as to justify some breaking away from our chronological history of events in order to devote a special chapter to the story of their collective work.

Dr. George Pinckard, as we have already seen, was not only the Founder of the Society, but proved himself to be a most efficient Chairman during the early days of struggle. He was a man of many activities. Born at Towcester in 1768, he studied medicine in London, Edinburgh and finally at Leyden, where he graduated M.D. in 1792. In 1795 he was appointed a physician to the Forces and accompanied Sir Ralph Abercrombie's expedition to the West Indies. In 1798 he served in Ireland during the Rebellion and in recognition of his services was promoted to the rank of Deputy Inspector General of Hospitals. In 1800 he settled down in Bloomsbury Square, where he resided until his death. He founded the Bloomsbury Dispensary and acted as its physician for thirty years. He wrote

several volumes on medical, social and travel subjects, and was keenly interested in all movements for improving the conditions of the Poor. He died suddenly, in his consulting room, from angina pectoris, on the 15th May, 1835, while writing a prescription for a patient.

He had attended the Board as usual two days previously and his unexpected death was a sore blow both to his colleagues on the Directorate and to the Society. The Proprietors at the next annual meeting expressed their appreciation of his great services in the following generous tribute :—

“Since our last Public Assemblage in this place, an event has occurred which the Directors cannot advert to but with pain and sorrow. The feelings of regret at the loss this Society has sustained by the removal of its late Chairman have been painfully increased in the minds of the Directors by the sudden and in some measure awful nature of his death. In these feelings they are confident the Proprietors will participate.

“It would be unbecoming to attempt an Eulogium upon the character of the late Doctor Pinckard, the recollection of his worth rests in the hearts of his numerous friends. Conspicuous amongst those who conceived and formed the Society, he had the satisfaction of living to see the realization of that success to which his unwearied zeal, and unremitting

attention, had so materially contributed, leaving to us the influence of his example, and to the community at large, the benefit of his active benevolence."

Four years later his brother, Mr. Joseph Pinckard, the Society's first Secretary, died in harness, after a long illness, at the age of 72. The Directors and Proprietors placed on record their testimony to his "zealous, long tried and faithful services" to the Board and to the Society. The Minute continues:—

"From the period of his appointment to that of his death, but one feeling appeared to animate him, centering in an earnest desire efficiently to perform his duty and to advance the interests of the Institution.

"During the fifteen years in which he occupied his situation, he was only thrice absent from his post; and that but for short vacations to recruit the vigor which close and assiduous attention to daily official business had impaired.

"The regularity and precision he evinced in the minutest details of business, and the correctness and regularity of his conduct justly obtained for him the utmost confidence of the Directors, while the urbanity and general benevolence of his character served alike to preserve order and good feeling in the office, and to insure courtesy and respect to every applicant."

Some seven years later, in 1846, Joseph's son, Dr. Richard Pinckard, who had been a member of

the Board since 1835 and a Deputy Chairman since 1840, died prematurely. He had graduated at Caius College, Cambridge, as M.B. and M.D., and after having studied his profession in London, Edinburgh and Paris, he was elected a Fellow of the Royal College of Physicians at the early age of 28. In the cholera epidemic of 1831 he was appointed physician to the temporary hospital opened in Bloomsbury, "a duty so painful that while he was going through one room only, it was not uncommon to find the first patient he had visited dead, before he had completed the round. . . . As a physician he showed skilful carefulness and anxiety for the welfare of his patients, with a most happy freedom from assumption or affectation of manner. . . . His friends have to lament him, beloved by themselves, and respected by all who knew him."

On his death, it occurred to some of the Proprietors that it would be fitting to commemorate the very valuable services of Dr. George, Mr. Joseph, and Dr. Richard Pinckard, by making a pecuniary grant to Mr. Joseph's widow. The matter was taken up enthusiastically, and an annuity of £200 was granted to her, with retrospective payments as from the date of the death of her husband. She received £1,400 in cash and continued to enjoy her pension until her death at the advanced age of ninety-two.



MRS. JOSEPH PINCKARD,
Widow of First Secretary, and Mother of
George Henry Pinckard.

The *Post Magazine* of 13th January, 1856, contains the following notice, inserted and probably composed by Mrs. Cornish, the mother of Sir John Mowbray.

“OBITUARY.

“We have this week to record the decease of a venerable lady who had reached the Patriarchal age of 92—Jenny Pinckard, relict of the late Joseph Pinckard, Esq., Actuary of the Clerical, Medical, and General Life Assurance Society, 99, Great Russell-street, Bloomsbury. She died, as she used frequently to say of herself, “*an old woman*,” an instructive example of uniform cheerfulness and contentment. Her bodily activity and mental energy were remarkable. In passing events, she took a lively interest ; and of by-gone days, she retained a vivid recollection. Her animation and amiability presented a living portrait of what an old person ought to be in order to conciliate a due respect for age. In her family, she was the head and the heart ; for each member occupied a place in her memory and affection. During her last brief illness her expressions of regret to children and servants for the trouble she occasioned (though that was very little), and of thankfulness for the attention she received, showed the perfect unselfishness of her disposition. If any be permitted to attain the same advanced period of life, let them not forget the example of

“JENNY PINCKARD.”

It may be added as a matter of interest that Mrs. Cornish herself lived to be four years older than her venerable friend Mrs. Pinckard, and only died in 1888. Mr. Whittall tells me that he remembers taking her into dinner during a visit which he was paying to Sir John Mowbray at his country home, Warrennes Wood, Mortimer. She was then over 90 years of age, and Mr. Whittall describes her as "such a sweet old thing, dressed in Quaker simplicity and needing nothing to set her off. Of course, she worshipped her son." It is said that the family were wont to ascribe her longevity to two glasses a day of good sherry, which her Doctor induced her to drink. It was really about four glasses, for her sherry was served in specially large glasses of which she took one only at lunch and dinner each day.

On the death of Mr. Joseph Pinckard, his son George Henry Pinckard, was appointed Actuary and Secretary of the Society. Mr. G. H. Pinckard was eighteen years of age when the Society was founded, and he continued to be intimately connected with every aspect of its history until his death nearly seventy years later. He assisted his father unofficially for a short period and in 1827 was appointed Junior Clerk. It was not long before he made his mark, both as a "Traveller" in the



GEORGE HENRY PINCKARD.
Chief Officer, 1839-1858.

provinces and on various special missions. His chance of promotion came in 1831, when he was sent down to Bristol to investigate the circumstances of a claim for £1,000, which had arisen by the death of a policyholder within a month after the effecting of the assurance. Mr. Pinckard soon discovered that the declarations made had been false, that the Assured was imprisoned for debt, and that his health had long been precarious. The Policy was given up to Mr. Pinckard, the contract was cancelled and the premium paid was returned. The Minutes of the next meeting of the Directors contain the following quaint entry :—

“ The proposal respecting Mr. G. H. Pinckard being taken into consideration, it was

“ Unanimously Resolved
that Mr. G. H. Pinckard, the Junior Clerk be,
and he is hereby appointed, Assistant Actuary
of this Society.”

A little later, Mr. G. H. Pinckard was sent to investigate conditions in Ireland, where the business accepted by the Society had proved unremunerative. His report was so drastic that all our local organisations and agencies were closed down and no further Irish business was transacted for three-quarters of a century. From what Mr. Whittall tells me, I fear it must be added that Mr. Pinckard then

acquired a dislike for everything Irish, which lasted throughout his long life.

Mr. Pinckard retired in 1858, having served as Chief Officer during nearly twenty years. In placing his resignation before the Directors he wrote :—

“ ST. JAMES’S SQUARE,

“ *October 6th, 1858.*

“ GENTLEMEN,

“ In placing before the Directors my resignation of the offices of Secretary and Actuary, which I have held for nearly Twenty Years, I beg to express the grateful sense I have felt and shall always retain of the great kindness and unlimited confidence with which the Board have uniformly honored me. Throughout that long period it has been my earnest endeavour, to establish for this office a character for prompt decision and businesslike procedure, in which I flatter myself, it is not surpassed by any similar Institution.

“ While relieving myself from the continuous labour and anxiety of these Offices and their high and onerous responsibility, I assure the Board, that this step will in no degree lessen my Interest in the prosperity of this Society, whose infancy and youthful progress were so zealously watched over by my nearest and dearest relatives and in the service of which (from its commencement) it has been

business-like procedure, in which
! flatter myself, it is not unshared
by any similar Institution—

While relieving myself from the
continuous labour and anxiety of these
Officers & their high & onerous responsibility,
I assure the Board, that this step will
in no degree lessen my interest in
the prosperity of this Society, whose
efficiency and youthful progress were
so zealously watched over by my
nearest and dearest relatives and
in the service of which from its
concomitance, it has been my

lot to spend the best years of
my life—

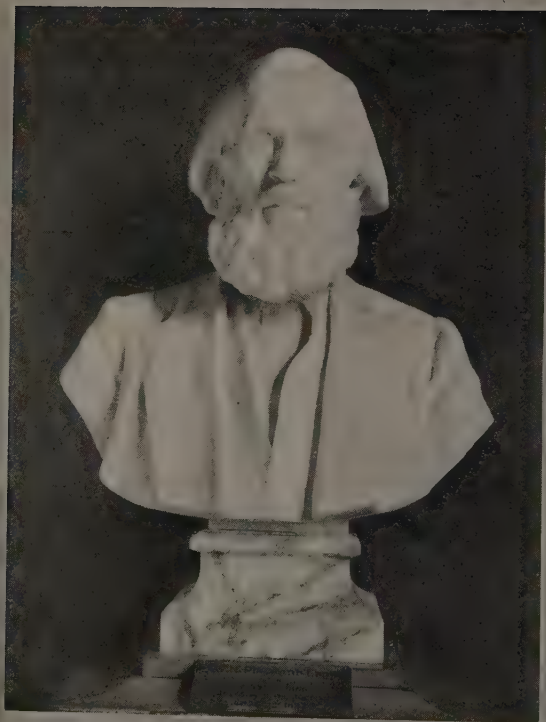
With every sentiment of esteem.

Believe me to remain

Yours faithfully.

G. H. Pinckard.

To the ~~honorable~~ ^{of the} ~~Deacons~~
Clerical, Medical, & General
Assurance Society—



GEORGE HENRY PINCKARD.
Bust in the Society's Board Room.

my lot to spend the best years of my life—

“ With every sentiment of esteem—

“ Believe me to remain

“ Yours faithfully,

“ G. H. PINCKARD.

“ To the Chairman and Directors of the
Clerical, Medical & General Life
Assurance Society.”

The Directors accepted his resignation with the utmost regret and placed on record “ their desire to express, in the strongest terms, the value which they had ever attached to his services and the high estimation in which they held his character.” They recalled how his whole life had been devoted to the interests of the Society, which owed its influential position among kindred institutions, chiefly, if not wholly, to his unremitting attention, his promptitude, his sense of fairness and his financial judgment. Finally, they expressed the hope that his rare qualifications might yet be made available for the service of the Society.

Mr. Pinckard was at once elected a Director and served in that capacity until his death in 1892. One of his colleagues has recorded that to the very last he maintained unimpaired his mental faculties and all his interests and sympathies. His financial knowledge was invaluable to the Society, for it was said of him that his judgment as regards

investments was not exceeded by that of any man in the city of London.

Despite the inclemency of the weather, he attended the Bonus dinner held in January, 1892, a few months before he died. Indeed, it used to be one of our standing office jokes to say that the worse the weather, the thicker the fog, the deeper the snow, the more certain would it be that the "Old Squire," as he was known in his Surrey home, would travel up from Combe Court to attend the weekly Board Meetings. To the very end he was a man of indomitable will and immense energy.

In an obituary notice, the *Post Magazine*, dealing with the last thirty years of his life, said :—

"Mr. Pinckard became famous among agriculturists for his herd of Devons, with which he won prizes at many shows, eventually showing the 'best beast' of the year at Smithfield. As a landowner he was active with purse and advice in works of benevolence. He was especially conspicuous for his bounty in the promotion of church restoration, both in Surrey and Devon, and for the zeal with which he propagated the true principles of thrift in rural districts. He was a judicious, popular and painstaking county magistrate. . . ."

Throughout his long life Mr. Pinckard was devoted to sport, and even when long past eighty

years of age remained a first-class shot. Amongst our office treasures is an old memorandum book in which are jumbled together all sorts of records in his own handwriting. Scattered amongst purely business items are various references to shooting engagements in Scotland and elsewhere. Nor did he scorn a modest bet from time to time. One item, dated at the outbreak of the Crimean War, runs : " The Secretary to pay Mr. Harrington 5s. if wheat is selling at 100s. a quarter previous to Xmas—if it does not Mr. H. is to pay the Secy. 1s." Mr. Pinckard won the bet, as the highest price of wheat during 1854 was 85s. a quarter. On another occasion he offered to pay 20s. if the Society did not succeed in granting more invalid assurances during the next twelve months than were issued by a newly-established and now defunct, rival institution. The result is not recorded, but I doubt whether Mr. Pinckard was called upon to pay. His kinsman, Mr. John Coles, of whom I shall have much to say in later chapters, used to tell with delight a story of the old man's wilfulness. Having reached an age long past eighty, his medical adviser had told him repeatedly that on no account must he ever again touch champagne. The doctor was frequently invited to dinner and the host invariably insisted on drinking his health in champagne. On one occasion the doctor turned the

tables on his host. Mr. Pinckard had asked, rather anxiously, whether the doctor had noticed any sign of increasing age about him, such as repeating himself in conversation. The doctor looked grave and replied : “ Well, Sir, I have, I confess, noticed something of that kind of late.” “ What have you noticed ? ” enquired Mr. Pinckard eagerly. “ Well my friend,” said the doctor, chuckling, “ I notice that you call me a damned fool much oftener than you used to do ! ”

On his retirement, in 1858, Mr. Pinckard was presented by the staff with an address accompanied by a silver inkstand bearing the following inscription :—

“ PRESENTED TO

“ GEORGE HENRY PINCKARD, ESQUIRE

“ By the Clerks of the Clerical, Medical and General Life Assurance Society, on his retirement from the Offices of Actuary and Secretary to that Institution, as an Evidence of the deep respect and attachment which a daily intercourse has engendered.

“ 29th October 1858.”

The Address referred to the “ unvaried kindness ” the Signatories had always experienced at Mr. Pinckard’s hands, and continued :—

“ While we cannot all fully estimate the Capabilities on which a well-earned reputation

is built, we can all appreciate, in the grand result, the successful issue of a devoted life."

One of the signatories to this Address, Mr. George G. Churchward, is happily still with us. He tells me that Mr. Pinckard gave the staff a splendid farewell dinner, and that on the following morning his sister, Miss Rachel Pinckard, came into the office and greeted the staff with the following verse :—

*Good morning all,
Both great and small !
I hope that you, like me,
Cannot detect
An ill-effect
From last night's little spree !*

Miss Rachel kept house for her bachelor brother for many years. She was famous for her mince-pies, and this tradition has lasted down to the present day ; for mince-pies are invariably served at the luncheon which follows the Annual General Meeting. Miss Pinckard did more than make admirable mince-pies. She was a clever and cultivated woman of strong character, and was universally regarded as being "the power behind the Throne." Indeed, it was said that no Director was ever appointed to the Board without her approval. She always had the reputation of being very hospitable and very outspoken. In her



MISS RACHEL PINCKARD.

youthful days she is stated to have been engaged to be married, but one day when walking with her betrothed in the country she caught her skirt in some brambles and hastily exclaimed: "Oh! damn the brambles." The engagement consequently came to an abrupt end.

Besides George Henry and Richard and Rachel, Mr. Joseph Pinckard had several other children, all of whom became Shareholders of the Society, though none of them appear to have taken any direct part in our counsels. The eldest child was Caroline (afterwards Mrs. Letheren), born in 1794, and the next Henry, who was born in 1796 and lived to be seventy. By the kindness of Mr. Whittall, I am able to include portraits of Mr. Henry Pinckard and of his wife.

The direct Pinckard chain breaks off in 1892 with the death of George Henry, but indirectly the links extend to the present day. Mr. John Coles, through his mother and his wife, was doubly related to the Pinckard family, and on the marriage of his eldest daughter to Mr. Whittall, in 1891, Mr. Pinckard bequeathed to her his London residence, with the result that, a little later, his family portraits returned for a while to sojourn at St. James's Square. On Mr. Whittall's retirement, replicas of the paintings of Dr. George Pinckard and Mr. G. H.



MR. & MRS. HENRY PINCKARD.

Pinckard were presented to the Society by Mr. Coles and now hang in our Board Room.

Upon the death of Mr. Coles, in 1919, his eldest son, Mr. Frederick Pinckard Coles, was elected to a seat on the Board. Thus, directly and indirectly, the Pinckard connection has been maintained throughout the full century of our existence—a feature which must be nearly, if not quite, unique in the history of any Life Assurance Institution.

Chapter XIX

The Chairmanship of Mr. J. Kibblewhite 1835-1845

ON the death of Dr. Pinckard in 1835, Mr. James Kibblewhite, one of the original Deputy Chairmen of the Society, was elected to the Chair. Mr. Kibblewhite, who was a Solicitor, had long occupied a leading position in the counsels of the Directorate. In the early days he had been appointed a member of each of the sub-committees which, during so many weary months, had striven to bring the Deed of Constitution into existence, and he seems to have been the leading spokesman on behalf of the Society in all business difficulties both before and throughout the ten-year term during which he occupied the position of Chairman. He took a leading part as adviser in all financial matters and undoubtedly was largely instrumental, during his period of office, in extending the range of the Society's investments. Thus, we find that by 1843 the Mortgages had grown to £290,000, and at that date considerably exceeded one-half of the total assets. Much consideration was given to the

question of the rate of interest to be charged on such loans and the Directors ultimately instructed the Secretary to inform Solicitors that "in cases where the Security on Mortgage shall prove to be very choice and very ample, the Board will consent to advance at $3\frac{1}{2}$ per cent." Mr. Kibblewhite developed the policy initiated by Dr. Pinckard of purchasing Life Interests or of granting loans on this type of security, and he gradually reduced the proportion of our funds invested in Exchequer Bills, Consols and India Bonds.

Mr. Kibblewhite took office at a difficult moment. The country, as we have seen, was scourged by epidemics of cholera and of influenza; with the inevitable result that the scale of Bonus declared in January, 1837, represented only about one-third of the standard allotted five years previously. It is not easy for us in 1924 to realise what a blow this heavy fall in the Bonus meant to our young Society, struggling for its very existence amidst a host of competitors, and what a severe tax was thus imposed upon the capacities of the new Chairman. But Mr. Kibblewhite, so far from losing courage on account of these temporary disasters, resolutely upheld, in speech after speech, the fundamental factors which were steadily leading the Society towards permanent success. He dwelt repeatedly

upon the advantages derived from the presence upon the Board of the Medical Directors, and on the unique position occupied by the Society as regards the assurance of invalid lives. In cordial co-operation with Mr. G. H. Pinckard, he extended the number of office "Travellers" so that the Society might become more and more widely known throughout the provinces, and he himself was instrumental in introducing a large number of new policyholders. Moreover, he resolutely cut off the unprofitable Irish business. At his instigation, too, the Board ordered "the Annual Reports to be printed and circulated generally in such ways as the Directors may think most advantageous to the Society." The various efforts so made were successful, and in 1840 he had the pleasure of informing the Proprietors that, for the first time in the history of the Society, the new annual premiums had exceeded £10,000. The next year the number of policies granted again exceeded all previous records and, in January, 1842, the Bonus declared was so favourable that every policyholder received nearly two and a half times the allotment made in 1837. The sums assured had then reached the substantial total of £2,130,896, while the Life Assurance Fund, amounting to £411,292, was more than double that existing five years previously.

During Mr. Kibblewhite's Chairmanship many amendments to the Deed of Constitution were carried through. The severity of the old suicide clause was relaxed, provisions were introduced for rendering our surrender values more attractive; and, generally, for improving our procedure—chiefly by conferring additional powers upon the Directors, by removing some of the more irksome restrictions from our Policies and by introducing various new features for attracting the assuring public.

Mr. Kibblewhite presided as usual at the Board Meetings held on the 29th and 31st October, 1845, but died suddenly from apoplexy on the 3rd November, at the age of 75. Of his personality, I can learn nothing. His name does not appear in any contemporary book of reference nor has any portrait of him come down to us. That he was an efficient Chairman is undoubted, but, as the references to his decease in our Minute Book are purely perfunctory, it would not seem as though he had secured any such warm place in the affections of his colleagues as had his predecessor, Dr. George Pinckard. There is no vote of condolence, nor even any formal expression of regret entered upon our Minutes. The Secretary, it is recorded, on November 5th, reported the death to the Board, the Solicitors were instructed to take the

necessary steps for appointing a new Trustee, and the Directors were summoned for the following Wednesday to appoint a new Chairman.

Chapter XX

Dr. Joseph Moore, Chairman 1845-1855

TO fill the vacancy created by the death of Mr. James Kibblewhite, his colleague, Dr. Joseph Moore, was unanimously elected Chairman of the Directors in November, 1845 ; and, like his predecessor, he occupied that position for a period of about ten years. Dr. Moore had been appointed a Director in 1831, and four years later had been selected as a Deputy Chairman. On his election as Chairman he, in accordance with precedent, appointed two Deputy Chairmen ; his choice falling upon Dr. Samuel Merriman and Mr. Joseph Henry Green, F.R.S. Dr. Merriman died in 1852, and Dr. Moore then appointed Mr. George G. Babington—a distinguished surgeon—as his successor in the Deputy Chairmanship.

Shortly after Dr. Moore's election to the Chair, Mr. J. R. Cornish, a rising young barrister, was appointed a member of the Board. On Mr. Cornish's marriage a few months later he adopted his wife's name of Mowbray—and from 1846 onwards the name of John Robert Mowbray occupies a leading place in our annals for over fifty years.

On the first occasion when Dr. Moore presided over a meeting of the Proprietors, the Society celebrated its twenty-first birthday. The Chairman, in his address, spoke of "the gratification of the Directors in being able again to report most favorably of the progress and prosperity of the Society," and mentioned that one-quarter of the whole number of policies issued had been granted on unhealthy lives. He went on to say that as, in the opinion of the Board, the time had now arrived when the long experience acquired by the Society in this special field called for a careful investigation, Mr. Pinckard, the Society's Actuary, had been instructed to make the necessary calculations and that "the result is decidedly favorable to the Interests of the Society, while it constitutes, in the belief of the Directors, the best existing data on which this branch of business may in future, with proper care, be safely and profitably conducted."

In 1851 the results of Mr. Pinckard's investigations were published in the first volume of the *Journal of the Institute of Actuaries*, and form an historic chapter in their records.

Mr. Pinckard began his interesting review by describing the results of three separate investigations which had been made into the "Invalid" experience of the Society. The first investigation covered the

ten-year period 1824-34. The result was extremely unfavourable, as, indeed, might have been expected from the particulars given in an earlier chapter of the hazardous risks which were so freely accepted in the earliest days of our history. Mr. Pinckard's statistics showed that while the average extra premium payable on the 650 cases included in this investigation represented an addition of only 30 per cent. to the normal scale, the mortality experienced was more than double the normal. Acting upon the knowledge so painfully acquired, the Directors exercised extreme caution in accepting invalid lives during the ensuing ten-year period 1834-1843. As the natural result of this change of policy, the mortality experienced proved to be much more satisfactory, and after 1843 the Directors again felt themselves to be justified in accepting invalid lives somewhat more freely. It is recorded that from that date onwards, such cases were assessed not only on the basis of the actual facts laid before the Board, but that consideration was paid to the Society's previous experience of similar risks.

Mr. Pinckard concluded his investigation by combining these three previous investigations, and publishing two Tables—one for invalid and one for healthy lives—covering the entire mortality

experience of the Society between 1824 and 1849. The results are extremely interesting. He came to the conclusion that over a period of a quarter of a century, the Invalid Lives—or, as he termed them, the Diseased Lives—had yielded a profit to the Society, but that this profit had been “on a very moderate scale and somewhat less than that derived from the healthy business.” He fully recognised that the system adopted by the Society for assessing invalid lives was capable of modification and improvements : that massed statistics based on the mortality of all diseased lives, taken indiscriminately, were of very little value as regards individual cases : and “that practical tables for each separate disease could only be formed with confidence when experience had become much more extensive.” In conclusion, he offered to show “to anyone who feels particular interest in this subject, all the details of the calculations together with some additional tables and plans now in operation for the more perfect attainment of the object in view.”

When one remembers that in 1851 actuarial science was still in its infancy, the shrewd judgment exhibited by Mr. Pinckard in thus summarising the lessons to be learnt from our own experience of the preceding twenty-five years, commands our admiration and deep respect.

The influence of Dr. Moore and Mr. G. H. Pinckard upon the Bonus declaration of 1847 has been dealt with in a previous chapter. Concurrently with a substantial increase in the allotments then made to Policyholders and to Proprietors, the reserves were strengthened and very definite hopes were held out that the future allotments would surpass those of the past. This expectation was not altogether borne out by the declaration made in January, 1852. The total surplus divided was larger, but the individual apportionments were not quite so favourable as in 1847. In part this result was due to the very unfavourable mortality experienced during the autumn of 1849, when the cholera scourge again devastated the country. In London alone, over 2,000 persons, out of a population of barely 2,000,000, died from cholera in one week, and in a period of three months the deaths from this cause exceeded 13,000. Throughout the provinces also, abnormally high death rates were universal. In the main, however, the slight fall in the Bonus allotments was more due to permanent causes than to these passing troubles.

Long before 1852 it had become apparent to the Directors that to reserve two-sixths of the surplus at every successive division of profits was needlessly quixotic, however justifiable such a course might

have been in the early days of struggle. But as our solicitors had advised that no change could be made during the Bonus period which was entered upon in July, 1847, the Bonus declaration in 1852 had necessarily to be made upon the old lines—despite all the incidental disadvantages when competition with rival institutions was involved. The Directors accordingly decided in October, 1849, to appoint a Committee to consider what alterations should be made in the Deed of Constitution in order to bring that massive and dogmatic instrument of 1827 up to the more modern and elastic requirements so imperatively called for by the needs of a subsequent generation of policyholders. Mr. Mowbray, who had already made his mark in our counsels, was appointed a member of the Committee, and quickly took a leading part in its deliberations. The Committee soon found that mere amendments of the old Deed would be ineffective and that an Act of Parliament would be the only solution of their difficulties, if they were to obtain “increased facilities for the transaction of business and additional inducements to the public to effect Assurances with this Society.” The Directors approved the recommendations made by the Committee, and introduced into Parliament a Bill which enabled legal proceedings to be simplified, and which—subject to a permanent reserve of

£50,000 being retained—permitted the Directors to divide the whole current surplus on each future occasion, instead of reserving two-sixths at every division, as hitherto. Powers were taken to allow policyholders to participate at the next ensuing Bonus declaration, even though one premium only had been paid, and to receive their Bonus allotments in the form of a cash payment. Provision was also made for the granting of non-participating Policies. The Bill so introduced passed successfully through its various parliamentary stages and in May, 1850, “received the Royal Assent, without the mutilation of a single clause, or the curtailment of a single privilege.”

One can imagine the joy of Mr. Pinckard in being able to state in the Society's Prospectus that policyholders would in future receive five-sixths of every surplus instead of three-sixths as heretofore ; and his successors in the management can only envy his emotions in finding himself suddenly possessed of such a powerful canvassing weapon. He wisely used the occasion to remodel completely the office rates of premium and to reduce them substantially from the somewhat high level fixed by his father, Mr. Joseph Pinckard, in 1825. Amongst those who assisted him in the necessary calculations was his young kinsman, Mr. John Coles—a future Chairman,

who as a lad of eighteen had then just come up from Devon to seek his fortune and to carve out his career in London. The Directors also agreed, on Mr. Pinckard's advice, that the Society should in future pay the stamp duty on Life Assurance Policies and pay all medical fees—these charges having hitherto fallen upon the policyholders. Increased facilities for obtaining loans on policies were concurrently introduced ; and for the first time in our history, " Whole-World " policies were issued, giving the assured " permission to go at any time to all parts of the globe, on payment of a fixed but moderate rate of premium."

The effect of all these changes upon our new business was instantaneous. The Chairman, reporting upon the business of 1852, spoke of it as " marked by unusually successful progress " ; and twelve months later he mentioned that the number of new policies had been double the average of those granted during the three years immediately preceding the passing of the Act. Throughout Dr. Moore's occupancy of the Chair, many further steps were taken in the way of enlarging the investment powers possessed by the Directors. In these changes I fancy that we can trace the influence of Mr. Mowbray and of Mr. Pinckard. In 1847 the Proprietors approved an amendment of the Deed

of Constitution permitting the Society "to grant loans by way of Mortgage Bond or Debenture to such Railway Companies in Great Britain or Ireland as the Board of Directors may from time to time think expedient." Four years later powers were taken to invest in "any loans required by any of the Colonies or Dependencies of the United Kingdom, for the repayment of which the credit of the Imperial Government is pledged : or in loans to be advanced upon the security of the rates of any County or Borough in Great Britain."

Dr. Joseph Moore presided regularly at the weekly Board meetings until June 13th, 1855. Like his two predecessors in the Chair he died with tragic suddenness. Four days after his last attendance at the Board, he died, without warning, from heart disease, at the age of 63 years.

Chapter XXI

The Chairmanship of Mr. G. G. Babington, 1855

DR. MOORE was succeeded in July, 1855, by Mr. George G. Babington, F.R.C.S., who had been a Deputy Chairman for some years and a Director since 1826. Although Mr. Babington only held office for a period of six months, his short Chairmanship is noteworthy in our history, as it was mainly under his leadership that the negotiations were conducted which at last led the Society to abandon Bloomsbury for St. James's Square. Mr. Babington's record is noteworthy from another aspect. In the early days of his Directorate, he effected an assurance with the Society upon his own life, and in this way he distinguished himself in our annals as none of his three predecessors had done. There was, however, a very definite reason why the earlier Chairmen had not taken out policies with the Society. The opinion was held in the early days, as our records show, that any person who was officially connected with the Society should be debarred from effecting a Life Assurance Policy here on the ground that,

should he ever be called upon to give evidence in a Court of Justice, his evidence would thereby be regarded as being tainted, by reason of his financial interest in the prosperity of the Society. Looked at from the standpoint of 1924, such an argument appears to be untenable ; but it is, I feel, fitting that the fact should be recorded in these reminiscences, as an example of the scrupulous fidelity to principle which, from the outset, governed our Founders and our early officials.

There is little that one can trace of Mr. Babington's influence during the first twenty years of his service as a Director. He was a regular attendant at the Board Meetings and he constantly acted as an Examiner in cases when surgical questions came into consideration. It is clear that he gradually gained the confidence of his colleagues in matters outside his own particular province, for in 1845 we find him appointed a member of the " House " Committee which had to consider the very urgent question of finding a new home for the Society, consequent upon the decision of the British Museum Trustees to demolish No. 78, Great Russell Street, immediately after our lease expired. Four years later, in 1849, Mr. Babington was chosen a member of the small Committee of four Directors appointed to consider what alterations were needed in the

Deed of Constitution, in order to facilitate the Society's business arrangements ; the outcome of their deliberations being, as we have seen, the decision to promote and to carry through a Parliamentary Bill.

The first act of Mr. Babington as Chairman was to appoint a Committee to consider the question of purchasing Lichfield House, in St. James's Square. This beautiful mansion, of which we shall have more to say in the next chapter, was then in the market, and one or two members of the Board—prominent among whom was Mr. Mowbray—strongly advocated that the Society should remove itself from the comparative obscurity of Bloomsbury and secure an office more worthy of its growing importance and dignity. This suggestion at first met with much opposition. The Committee, however, inspected Lichfield House and reported favourably as to its suitability as a permanent home for the Society. The Architect, Mr. Charles Fowler, concurred, and in due course the Directors submitted an offer of £12,000. This was refused, and eventually the purchase price was fixed at £13,000, including certain additional fixtures. It was then discovered that, attached to the freehold, there was the liability to pay a fee-farm rent of £10 12s. 2d. per annum. The Directors accordingly

proposed that £250 should be deducted from the purchase price. Much negotiation ensued and at last the Directors issued an ultimatum stating that unless the terms were agreed and certain mirrors were included as fixtures, the Board would decline to complete the purchase. Early in December, 1855, the purchase was finally arranged, the price fixed being £12,750, coupled with the condition that the Junior United Service Club should be allowed to continue their existing tenancy until the following June, on payment of a rent at the rate of £1,000 per annum, together with all rates and taxes.

Hardly had this wonderful bargain been successfully negotiated, when Mr. Babington was stricken with bronchitis and died at the early age of 61, after an illness of a few days only. And, with the death of our fourth Chairman, these records of our Bloomsbury history may fittingly be brought to a close.

SECTION III

ST. JAMES'S SQUARE

PARTICULARS AND CONDITIONS OF SALE
OF
THE DISTINGUISHED
FREEHOLD MANSION,
For a lengthened period
THE FAVOURED HABITATION OF
~~THE RIGHT HON.~~
The EARL of LICHFIELD
Situatod on the West and preferable side of
ST. JAMES' SQUARE,
Being No. 18, and extending into Duke Street. It is really altogether, from its size and importance,
A Princely Habitation,
WITH
A MAGNIFICENT & IMPOSING STONE FRONT,
Embellished with elegant
IONIC STONE COLUMNS.
On the Ground and principal Floors are
GRAND SUITES OF
FIVE ELEGANT AND SPACIOUS ROOMS,
And the Mansion throughout is complete in each department. Communicating with the
Mansion by
A COURT YARD,
IS A
TWELVE-STALL STABLE
AND
STANDING FOR FIVE CARRIAGES,
With numerous appurtenances.
Which will be sold by Auction, by

Mr. GEO. ROBINS,

AT THE AUCTION MART

On THURSDAY, the 28th Day of APRIL, 1842, at Twelve,

WITH IMMEDIATE POSSESSION.

Particulars can be had of EDWARD WHITE, Esq., 12, Great Marlborough Street, Messrs. VIGAND and LEAMAN, 81, Lincoln's Inn Fields, at the Mansion, the Auction Mart, and at Mr. GEORGE ROBINS' Office, Covent Garden.

SMITH & ROBINS Printers: King Street, Long Acre

AUCTION PARTICULARS, LICHFIELD HOUSE.

Chapter XXII

The History of Lichfield House

THE earliest houses built in what is now known as St. James's Square were those abutting on Pall Mall, but long before the passing of the special Act of 1726, which placed the management of the Square in the hands of a Board of Trustees, a continuous line of fine residences had been erected on the West, North and East sides. Amongst these one of the earliest was that built in the merry days of King Charles the Second for the occupation of La Belle Stewart, Duchess of Richmond. This mansion occupied the site known later as Lichfield House, and was demolished in 1763. The present building was erected immediately afterwards and evidence of the year of its construction is afforded by the presence in the basement of a large leaden cistern bearing that date. The solidity of the internal brickwork is remarkable. The basement contains a series of enormous arches forming cellars and storage accommodation of every size and type. There are three main internal walls, each running from the foundations of the structure to the attics, and the



THE BOARD ROOM.

most flimsy of these is over three feet in thickness. When the electric light was put in, some 30 years ago, the contractors did not make sufficient allowance for the solidity of our ancient walls, and long after the stipulated date fixed for completion, the workmen were still laboriously hammering holes in the interminable brickwork. It has been said of the house that a piece of ordnance could be discharged in the Hall and that it would not be heard in the bedrooms.

The stone frontage of the house, with its beautiful Ionic columns, is regarded as one of the finest examples of the work of James Stuart, popularly known as Athenian Stuart, on account of his great knowledge of Grecian architecture. The wide balcony has a fine balustrade—of solid copper. Passing through a somewhat narrow but beautifully designed entrance hall, we reach the great inner hall, which is lighted from a large glass dome in the roof. The ironwork of the staircase is one of the noticeable features of the house. So, too, are the numerous mahogany doors, some of which are reputed to be older than the present building. The main drawing room—now the board room—on the first floor, fronting the Square, has a very handsomely decorated ceiling; so has the second drawing room which leads out of it at the back. These ceilings were the

Thos Anson Esq^r

St James Place -

1791

Nov^r 25th To two Columns and two pilasters
in Sagliola in imitation of Verd
designed Marble in all 185 3rd Sup^{ts}
Agreed upon with Mr Sam^l Wyatt -
at 10th 6th 2nd foot Sup^{ts} £ 81.9 9

19 Decem To two Columns in Sagliola
in imitation of Gallons Antique
Marble in all 183 10th Sup^{ts} Agreed
upon at 8th 2nd foot Sup^{ts} 41.10 8
To two Bases in imitation of - }
Statuary Marble in Feet 8. 2 Sup^{ts} } 6. 6. 0
at £ 3. 3. 0 Each Bases - }
£ 129. 6. 5

1791 Jan^y By so much Rec^d on Acc^t
from Mr Sam^l Wyatt 10. 0. 0
13 Feb^r By so much on Acc^t 10. 0. 0

25 March By so much Rec^d on Acc^t
of Thos Anson Esq^r 21. 0. 0

3 Sept By so much Rec^d of 9
Mr Sam^l Wyatt 10. 0. 0

17 Dct^r By so much Rec^d of Ditto 30. 0. 0

29 Oct^r By so much Rec^d of Ditto 10. 0. 0
£ 91. 0. 0

Remain^r Due £ 38. 6. 5

1792 Jan^y 10 By Cash in full of all Demands at Settle 30. 0. 0

work of Signor Bartoli, and were placed in position about 1791, some thirty years after the house was rebuilt. The bills which Signor Bartoli submitted are amongst our treasured possessions. He constantly asked for—and received—£10 on account, and he usually settled any outstanding balances by accepting “in full discharge” a smaller sum than he had originally demanded. The board room contains a finely carved mantelpiece, reputed to be by Flaxman, and the old French mirrors, to which reference has already been made. These are reputed to be of great value.

The house has many interesting historical associations. It was built and for many years occupied by the Anson family—now the Earls of Lichfield. Lord Ellenborough, Lord Chief Justice, lived here for a time, but afterwards moved two doors away to No. 13, now occupied by the Windham Club, where he died in 1818. Thomas William Anson, first Earl of Lichfield, resided in the house off and on for over thirty years and died here in 1854. It was during his occupancy that in the Spring of 1835 the famous compact between Daniel O’Connell and the Whigs was arranged at a meeting held in the library—now the manager’s office. Lord Melbourne was thus, with the help of the Irish vote, able to defeat Sir Robert Peel in the House of Commons,

Amson. Exp.

To Biagio Rebecca.

1794

June 16th To Painting 4 Oval Pictures for
the Drawing Room Ceiling - at 12.12. } 50. 0. 0

2 Oval Pictures for Do - at 5.5 - 10. 10. 0

2 smaller Do - at 5.5 - 10. 10. 0.

2 Round Do in Brass Relief - at 2.12.6 - 10. 10. 0

4 Do in Colours - 4. 4. 0

2 Long Do in Brass Relief - 10. 10. 0

To changing the ground & finishing the
Figures of 8 small Circles } 3. 0. 0

£ 100. 0. 0

and the Whig Ministry which he then formed retained power for a period of over six years. After Lord Lichfield's death the house was tenanted by the Junior United Service Club, until June, 1856. The Society then took possession and has occupied the building ever since.

Considerable structural alterations were at once undertaken in order to convert the ground floor and basement into suitable general offices and to provide strong-room accommodation. The two drawing rooms on the first floor furnished a stately board room and a scarcely less magnificent committee room for the use of the Directors, while the rest of the house provides handsome accommodation for the resident Manager. The west side of the inner quadrangle was, at that date, occupied by a lofty building containing over 20 bedrooms, but the whole of the upper part of this structure was demolished in order to improve the lighting of the rooms on the north and eastern sides. It is said that the value received from the lead and other material recovered during the demolition of the bedrooms more than recouped the entire cost of the alterations made in the office building. The house is stated to have cost £60,000 to build in 1763, and large additional sums must have been spent on its decoration by Signor Bartoli in 1791. So at the price paid, £12,750, the



THE LIBRARY, 1895.

Society acquired not only a "Princely Habitation," but a remarkable financial bargain.

In 1856 St. James's Square was mainly residential in character. The London Library already occupied its present site, though the old house has since been rebuilt. There were two clubs, the Windham and the East India United Service, and the Westminster Bank had been in occupation for about twelve years. Two other houses were occupied as offices, one by the Charity Commissioners and the other by the Board of Agriculture. The rest of the Square consisted of private residences, many of them occupied by members of the nobility. Of the famous names existing in 1856, only those of the Duke of Norfolk, the Marquis of Bristol, and the Earl of Strafford are now still associated with the Square. The Bishops have left us, Winchester House and London House having been sold. Derby House and Falmouth House have been converted into business premises, while Cleveland House has been demolished and its site is occupied by flats and shops.

Except on the South side, the Square has not greatly altered in appearance since the Society came here nearly seventy years ago ; and the Society, like the Square, has maintained much of its old traditions. But everything else has changed ; the Directors who guided us here have all passed away : so have the



THE MANAGER'S ROOM, 1895.

managers, the clerical staff, and, indeed, nearly all those who were then assured with the Society. Out of about 6,500 policies then in existence, less than a dozen now remain, but amid all these changes of personalities, the Society itself endures.

Chapter XXIII

The Chairmanship of Mr. Joseph Henry Green, 1856-1863

MR. BABINGTON'S successor as Chairman was Mr. Joseph Henry Green, F.R.C.S., D.C.L., F.R.S. The new Chairman had not only been connected with the Society as a Director since its foundation, but had long occupied a prominent position as a leader in the surgical profession. In 1824, Mr. Green was appointed Professor of Anatomy at the College of Surgeons and a year later, at the early age of 34, he gained the coveted distinction of being elected a Fellow of the Royal Society. In 1830, on the establishment of King's College, he was the first to hold their Chair of Surgery. Four years later his father died, leaving him a large sum of money, and from that time onwards Mr. Green threw up surgical practice almost entirely. He was the intimate friend of Samuel Taylor Coleridge, the poet, and during the last thirty years of his life he devoted himself mainly to systematizing and establishing the doctrines of Coleridge's philosophy. Prebendary Kempe, who died in 1907, has recorded that our Secretary (Mr.

Cutcliffe) received a copy of Mr. Green's posthumous book on Coleridge, and declared that there was hardly a page of it that to him was intelligible. In 1858 Mr. Green became President of the Royal College of Surgeons and when the General Medical Council was established in the course of the same year he was selected as the representative upon it of the College of Surgeons. A little later, on the death of Sir Benjamin Brodie—who had been a Director of the Society since 1827—Mr. Green was elected President of the College, a position which he continued to hold until his death. His name as Chairman appears in our official papers followed by the description, "President of the General Council of Medical Education and Registration of the United Kingdom."

Though sixty years have passed since Mr. Green's death, I am fortunate in being able to quote the impression made by him upon Mr. Churchward who, in 1857, had been selected as a junior clerk and had—as he modestly states—"passed muster" after inspection by the Chairman, the Deputy Chairman (Mr. Mowbray), and the Secretary (Mr. Pinckard). Mr. Green was then nearly seventy years of age, and Mr. Churchward describes him as a very tall and dignified looking man, very courteous, and much respected by everyone in the office. Prebendary

Kempe has recorded Chairman Green's conduct of business as being "courteous and graceful, as well as careful, intelligent and competent." And Sir John Mowbray, speaking in 1862, when Mr. Green was absent on account of illness, referred to "the great extent to which the harmony of the Board and the propriety of the Institution itself are promoted by having as Chairman a gentleman of so clear a head, so comprehensive an intellect, so high a character and so courteous a bearing as Mr. Joseph Henry Green." The picture given of him on page 189—a photographic reproduction from an old engraving—fully bears out the above description. He was undoubtedly a man of the highest intellectual and scientific attainments.

Mr. Green's earliest act as Chairman was, naturally, to reappoint Mr. Mowbray as Deputy Chairman, but he departed from precedent by not selecting a second deputy at that time. Afterwards he chose Mr. William Bowman, F.R.C.S., F.R.S., for the post and Sir William, as he became later, remained one of our Deputy Chairmen until his death in 1892.

An early and very popular step instigated by Mr. Green was the closing of the office on Saturday afternoons at two o'clock, instead of at four o'clock as hitherto.

The new Chairman found his hands full in dealing with the various questions concerning the alterations needed in connection with the purchase of Lichfield House, for he had to pick up the negotiations at the point reached when Mr. Babington died so unexpectedly in January, 1856. Possession of the new house was taken in July—a particularly difficult moment from the point of view of Mr. Pinckard, for it synchronised with the close of the sixth Bonus period. The surplus declared in the following January was the first which came under the operation of the Society's new Act of Parliament, and it proved exceedingly satisfactory to the policyholders. They received on this occasion the sum of £162,500, as compared with £90,000 divided five years previously, and each policyholder received a larger allotment than on any previous occasion. In the course of his speech at the Bonus meeting, Mr. Green remarked that during the five-year period the Society "had not lost a shilling upon its investments," and that the average rate of interest yielded had been just 4 per cent. The valuation rate adopted was, as hitherto—3 per cent. One further Bonus—that of January, 1862—was declared during Mr. Green's Chairmanship, but on that occasion he was absent through illness, and Mr. Mowbray presided at the meeting of shareholders and policyholders. The surplus was £42,000 in excess of that declared in

1857, and the individual allotments to policyholders were also somewhat higher than at any previous distribution.

An important innovation introduced during the opening year of Mr. Green's Chairmanship was the decision to hold the annual meeting in November, instead of in March. In this way the new figures became public three or four months earlier than had hitherto been the case.

The Minutes of August 13th, 1856, contain the interesting announcement that the Rt. Hon. Benjamin Disraeli, M.P., submitted a proposal to assure his life for £2,500, which was duly accepted. The policy was maintained in force for a number of years and was then surrendered.

In February, 1857, Mr. George Cutcliffe, who had joined the staff as a junior in 1841, was appointed Assistant Actuary, and on Mr. Pinckard's retirement in November, 1858, he succeeded as Actuary and Secretary, at the unusually young age of thirty-three.

The usual Board meeting fixed for Wednesday, October 7th, 1857, was postponed as that date had been appointed a "Day of Solemn Fast, Humiliation and Prayer, to deplore in the presence of God the national visitation involved in the Indian Mutiny." These were the darkest days of that

desperate struggle. Sir Henry Lawrence had died of wounds. Havelock had recaptured Cawnpore in the summer and had just relieved Lucknow, but the power of the rebels was unbroken, and much of the country was still in their hands. Reference to *The Times* of October 8th shows how completely London responded to the Queen's appeal. All business ceased : every theatre and place of amusement was closed : all items of foreign intelligence were, for the moment, neglected, and the leading columns of the papers were entirely devoted to extracts from sermons preached at the various churches of the metropolis—amongst which, it is interesting to note, the preachers at the City churches took a leading part. Our own Director, Canon Dale, preached to a crowded congregation at St. Pancras Church.

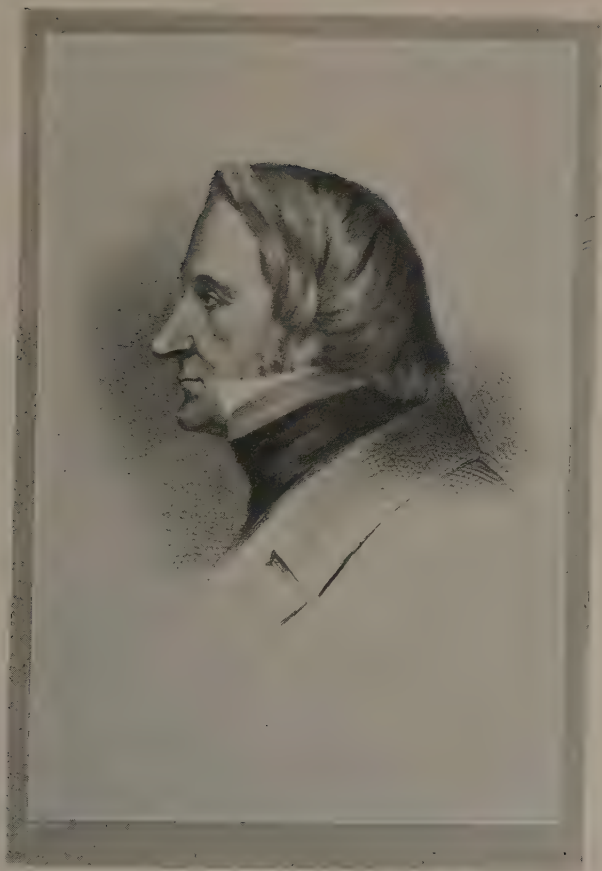
In the year 1857 came the election of the Revd. Prebendary Kempe to the Directorate. Mr. Kempe had recently been appointed Rector of St. James's, Piccadilly, and shortly afterwards had been sounded by Mr. Mowbray as to whether he "cared to earn the stipend of an extra curate" by joining the Board. Mr. Kempe at once purchased the necessary shares and was selected to fill the first vacancy that occurred. For fifty years he remained a most regular attendant at our Board meetings. In 1861, doubtless at Mr. Kempe's suggestion, the Board decided to

recommend to the Proprietors the adoption of the following resolution :—

“ That a sum not exceeding £100 be placed at the disposal of the Directors annually, for such contributions to the Charities of the Parish of St. James as they may deem to be due from the Society as Owners and Occupiers of Property in that Parish.”

But Mr. Turner, the Society's Solicitor, on being consulted, felt constrained to advise that the Proprietors had not the power to grant any sum of money to the Directors to be disposed of for charitable purposes, and so the project was allowed to drop. Later on the matter was revived in a more modest form and for the past fifty-eight years a gift of twenty guineas has been made annually to St. James's Charities. Mr. Kempe never ceased to lament, as detrimental to his parish work and subscription lists, the displacement of noble and wealthy families from the Square for the accommodation of offices and clubs.

During the later years of Mr. Green's chairmanship his health became indifferent—he was a martyr to gout—and he frequently had to be absent from the weekly Board meetings ; occasionally, even, from the annual general meetings. In his absence the Chair was invariably taken by Mr. Mowbray. The



JOSEPH HENRY GREEN, F.R.C.S.
Chairman, 1856-1863.

last attendance of Mr. Green at the Board was on October 30th, 1863, and some six weeks later he died from heart disease, at the age of 72. It is recorded of Mr. Green that when he lay dying, he placed his hand upon his pulse, and after a few minutes was heard to whisper "stopped" and so expired.

Chapter XXIV

Sir John Mowbray, Chairman 1863-1899

THE choice of the Rt. Hon. John Robert Mowbray, M.P., as Chairman in succession to Mr. Green, marks an important epoch in the development of the Society. Though Mr. Mowbray was then only 48 years of age, he had already been a member of the Board for some seventeen years, and a Deputy Chairman for nearly half of this period.

Mr. Mowbray (then named Cornish) was born at Exeter in June, 1815, and used to recall with interest that his baby eyes might have gazed at Napoleon; for his mother completed her convalescence at the sea-side and he was taken down to the beach one day by his nurse at the time when H.M.S. *Bellerophon*, with the Emperor on board, was anchored in Torbay, surrounded by crowds of little boats filled with persons anxious to catch a glimpse of the great Napoleon. Be that as it may, the infant of 1815 was wont to exhibit with great pride in later years



RT. HON. SIR JOHN ROBERT MOWBRAY, BT., M.P.
Director for 53 years,

a walking cane which had been owned by Napoleon and had been used by him at St. Helena. Young Cornish was educated at Westminster School, and, while there, came into touch with Mr. Joseph Pinckard, a fellow Devonian. In 1835 he was elected a Student of Christ Church, Oxford, and, in due course, he became President of the Union. After taking his degree he was called to the Bar in 1841, and went the Western Circuit. On his marriage he changed his name from Cornish to Mowbray and abandoned law for politics. In 1853 he was elected to the House of Commons as Member for Durham City, and he continued to represent that constituency until 1868, when he was chosen as one of the Members for Oxford University, for which he sat uninterruptedly until his death, as Father of the House, in 1899. On two occasions Lord Derby appointed Mr. Mowbray as Judge-Advocate General, and for over a quarter of a century he was Church Estates-Commissioner. He was honoured by his University by being created D.C.L. of Oxford in 1868, and in May, 1880, he was made a Baronet on the recommendation of Lord Beaconsfield. From 1874 until his death he was Chairman of the Committee on Standing Orders and of the Committee of Selection. While the work of these Committees may not be well known or understood by the general public, the smooth

working of the whole business of the House, as regards private bills, appears to depend largely upon the tact of their Chairman, who is necessarily brought into constant and intimate connection with all parties in the House. As proof of the great regard in which Sir John Mowbray was held by his colleagues, it may be added that shortly after his death the Speaker unveiled, in the Committee Room which Sir John Mowbray had so long occupied, a bronze memorial bust of him, which had been subscribed for entirely by Members of the House. In 1887 the same sculptor had executed in marble an admirable bust of Sir John Mowbray, which was subscribed for by his colleagues on our Directorate, and placed as an enduring monument in the Society's Board Room. Sir John's reminiscences, entitled "Seventy Years at Westminster," were published shortly after his death, and contain much interesting and entertaining material for the parliamentary history of the period.

The foregoing notes indicate that in the selection of their new Chairman the Directors had chosen a man of public position and attainments. It follows that they had chosen a leader of marked personality and character. Few of those who knew Sir John in his younger days are now living, but I am

fortunate in being able to record the impression which he made upon Mr. G. G. Churchward, who appeared before him as a candidate for a junior clerkship in 1857. Mr. Churchward speaks of him as being at that date "extraordinarily alert and sharp as a needle"—an impression which is assuredly accurate. Mr. Whittall's recollection of Sir John Mowbray, as Chairman, dates back to 1874, and he recalls how, at the Meeting of the Office Committee at which he was selected to fill a vacancy on the staff, the candidates were given dictation by Mr. Mowbray himself—a notable instance of the conscientious care and sense of responsibility which, throughout his long life, so distinguished our Chairman. In this connection it may be mentioned that Sir John never held any other directorate than that of the Society. The main impression which Sir John, as Chairman, then made upon Mr. Whittall was that of his quickness and alertness, combined with a certain youthfulness of mind, which made him never afraid to entertain new propositions—at any rate where financial affairs were not concerned. When pressed for time, he showed wonderful skill in getting through work quickly, though scrupulously careful that every salient point was adequately considered. He was the essence of order, regularity, and, above all, punctuality.

To most of us the memory of Sir John survives as that of a vigorous and alert old man, governed in every aspect of life by scrupulously high principles, and full of interest and of knowledge as regards every detail of the office work. It was his habit to attend at the office every Wednesday morning for an hour or more in order to go carefully through the whole of the cases to be laid before the Board at the afternoon meeting. He was extraordinarily methodical and painstaking in this matter, and the supervision which he thus exercised for more than a generation had much to do with the care in the selection of the lives which has for so long been a characteristic of the Society. As a Chairman he was admirable. He was unsparing of himself and, as Mr. Kempe has recorded, "he devoted to the Society all the powers of his strong and acute intelligence, his sound judgment, his even temper, his zealous devotion to duty; and, above all, his never-failing watchfulness to uphold and to promote the best interests of the Society." He had a ready and appropriate gift of speech, lightened by happy pleasantries and enriched occasionally by apposite classical quotations. At the Board meetings the skill with which he guided his colleagues to reach unanimous decisions was remarkable, and as Chairman of our Annual and Bonus Meetings he was at his best.



John S. Sargent

RT. HON. SIR JOHN ROBERT MOWBRAY, BT., M.P.

Chairman, 1863-1899.

From a Sketch by JOHN S. SARGENT, R.A.

On the financial side, it is far from easy at this date to dogmatise as to the main influence exerted by Sir John Mowbray. In his earlier days he seems to have been somewhat of a pioneer, and the influence of his good judgment is clearly illustrated in the high-class Stock Exchange investments made during the opening years of his Chairmanship. In all probability this development of our investment policy was largely the creation of Mr. John Coles, encouraged and supported by Mr. Cutcliffe. Be that as it may, the cautious part of Sir John's nature gradually developed, and it became more and more difficult to induce him to sell out any of these securities. In the middle 'nineties, when the prices of Stock Exchange securities reached their maximum, Sir John nearly broke Mr. Whittall's heart by refusing to sell on any large scale, although a profit exceeding half a million sterling would thereby have resulted. Had these securities then been sold and the proceeds invested, as Mr. Whittall urged, in mortgages, the whole of this paper profit would have been realised and converted into an actual cash profit. It is, alas, a matter of history to record that the chance was lost, that these paper profits gradually crumbled away and that ultimately they vanished altogether.

From the point of view of the Staff Sir John was worshipped—there is no other word for the veneration in which we held him. He knew us all by name ; he even knew our domestic interests and our troubles. If I may venture to intrude a private memory, he sent to me, when my little son died, the most touching of letters—nearly thirty years have since passed and it still remains as one of my most treasured possessions.

In March, 1896, Sir John celebrated his Jubilee as Director—an event unique in all our long history, though Mr. Kempe ran him close. His colleagues presented him with a silver loving cup ; the Officers and Staff tendered an address, suitably illuminated and bound in volume form.

The address was prepared by Mr. Whittall and was polished with infinite pains by Lord Curzon of Kedleston, between whom and Sir John Mowbray a very close attachment always existed.

The day after the Presentation, Sir John wrote the following charming letter to Mr. Whittall :—

“ Yesterday was a very happy day to me, and I was much gratified. One thing I must say delighted me above all, viz., that I realized from your language and the wording of the Address that I had made you all feel, how heartily I wished to be regarded by yourself

To the Right Honourable

Sir John Robert Mowbray,
BARONET, M.P., D.C.L., &c.

Chairman of the Board of Directors of the
Clerical Medical General Life Assurance Society.

MARCH 1896

MARCH 1896

ON the completion of your Fifteenth
year of service on the Board of the Clerical,
Medical and General Life Assurance Society,
for its Officers and Staff

we desire to present to
you our respectful but most sincere congratulations upon
your accomplishment of half a century of invaluable work
in the interests of the Society, and upon your continued
enjoyment of health and strength.



and every member of the staff down to the youngest man, as a personal friend. My desire has been, as Chairman of the office, to take a lively interest in the career of every young man whom I have personally selected. I wish all to feel that they can come to me at any time, for advice or assistance. Will you kindly pass this letter down and show it to all the gentlemen on your staff who have been so kind to me, and assure them that I shall do everything in my power for the future to maintain the same cordial and friendly relations with them."

In February, 1899, Lady Mowbray died. After a short rest in Cornwall, Sir John, led by his own governing sense of duty, resumed his ordinary official work for the Society and his Parliamentary activities, to all appearances in full enjoyment of his ordinary health and vigour. A few days later he was seized in the House with a fainting fit, and though he rallied somewhat at first, a relapse set in and on the 22nd April he passed peacefully away.

Dean Paget, in his memorial Sermon delivered at Christ Church Cathedral, Oxford, said :—

"All alike will feel that they have lost one whom they could always trust : for with him to recognise a duty was, as a matter of course, to set about fulfilling it."

Chapter XXV

Sir John Mowbray and Mr. Cutcliffe, 1863-1882

WE have seen what manner of man the Directors had selected as their new Chairman, and we now proceed with our chronological record of events.

Sir John's first act was to select his two Deputy Chairmen. He re-appointed Sir William Bowman and chose Sir Charles Locock as his colleague. Sir Charles was a distinguished obstetric physician and attended at the birth of all Queen Victoria's children. He retained his position as a Deputy Chairman of the Society until 1873, and he died in 1875.

A few weeks after the election of Sir John as Chairman, an important development of the office business was brought about by the Directors' decision to transact Endowment Assurances. Hitherto, only Whole Life or Term Assurances had been granted by the Society. The new Table was introduced under the non-participating scale only, as the terms of the Deed of Constitution precluded any but Whole Life Assurances from sharing in the

divisible surplus. It was not until 1887, when the old Deed had been swept away by the provisions of the Society's second Act of Parliament, that power to issue Endowment Assurances on the participating scale was conferred upon the Directors.

In the autumn of 1864 Mr. Benjamin Newbatt was appointed Assistant Actuary of the Society. Mr. Newbatt had served in the office for about ten years and had quickly made his mark. His rapid promotion seems to have created a certain amount of ill-feeling at the time among the staff ; but this can hardly be wondered at ; for Mr. Newbatt was a man of great individuality, with just those qualities of dominating personality which would have enabled him to gain an eminent position in any of the great professions.

The year 1865 was marked in our history by the election of Dr. Lionel Beale to the Board. No Director of the Society has ever been so loved by his colleagues, by the staff and by everyone who came into personal contact with him. For forty years he was one of our chief Medical Examiners, and an actuarial investigation made by Mr. Whittall into the results of Dr. Beale's own personally examined cases showed an extraordinarily favourable mortality experience. Dr. Beale was a short and somewhat

thin man, with a fine, rather leonine head of picturesque hair, which retained its colour in old age. He always dressed in black broadcloth, such as one now associates only with evening dress. He was a man of the simplest tastes, almost a vegetarian. On one occasion I remember that he much amused the Board when discussing a proposal made by a vegetarian, by remarking that he himself invariably ate one banana a day and that if he could afford it he would eat two. Dr. Beale was an authority on the microscope and thereby gained his F.R.S. He was also a skilled gardener on scientific lines, and in his Weybridge home cultivated ferns in pits with great success and raised many other plants under the shadow of his pine trees—where he had been confidently assured by every recognised authority that no plants could grow. His garden had a very thin layer of peaty soil with a subsoil of deep sand and Dr. Beale found that by making pits, with shelves in them, he could manage to retain sufficient moisture in the soil to provide for the cultivation of his plants. Nothing more delighted the dear old Doctor than to invite a few botanical friends to inspect his treasures, and then to listen to their amazed comments upon the results achieved in such unfavourable natural conditions. They called him “a mole gardener,” but admitted that “he *does* make things grow.”



MONTAGU TURNER.
Solicitor to the Society, 1866-1908.

The chief event of 1866 was the appointment of Mr. Montagu Turner as Joint Solicitor to the Society, in partnership with his father, Mr. Scott Turner, who had acted in that capacity since 1834. On the death of his father two or three years later, Mr. Montagu Turner became the sole Solicitor to the Society and he acted in that capacity until his death in 1908. From the point of view of the Society, Mr. Montagu Turner was an ideal Solicitor. He was cautious and he was practical. There were times when he supplemented his legal opinion as Solicitor with a covering letter advising the Society to take the slight business risks involved in disregarding his legal views. It was his habit to lunch at the Junior Carlton Club and for many years he made it his practice to drop in at St. James's Square on his way to the Club. On these occasions we talked over any matter of current business interest in the most informal fashion, and to officials the advantage of this daily interview, enriched by all his ripe experience of our affairs, was invaluable. I need hardly add that Mr. Turner refused to make any professional charge for such visits, unless he had been specially invited to attend.

Mr. Turner was always asked to speak at our Bonus Meetings and his short speech was invariably the same. He referred with justifiable pride to the

continued immunity which the Society enjoyed from litigation and to the absence of any loss upon the mortgage transactions. He recognised the enormous importance of the co-operation between Solicitor and Client, and he gratefully acknowledged how the practical legal difficulties of conducting a large business could best be met by a combination of common sense, practical experience and great firmness on the part of the Directors. The feelings of the Directors and of the Management towards Mr. Turner were equally cordial and appreciative throughout the whole forty years during which he served the Society so devotedly.

Mr. Turner was a great cricketer in the days of his youth ; he played constantly for Middlesex and he had kept wicket for the Gentlemen of England. In his later life he retained his interest in the game and was a prominent member of the M.C.C. Committee. He never took a holiday, claiming that his life in the country made such a course unnecessary. But, alas, he paid the penalty ; for without warning he was stricken down, and, though he recovered sufficiently to return to work for a few months, he was but the shadow of his former self, and he died suddenly in January, 1908.

Sir John's first Bonus—that of 1867—was slightly disappointing. The Society had then been forty

years in existence, and had reached, in the Chairman's words, "that period of full maturity during which the soundness of the basis on which an Assurance Institution rests is put to the severest test." The mortality experience during the five-year period was distinctly unfavourable. Not only were claims heavy, but "an unusual proportion of them fell upon Policies for large amounts and of less than average duration." The divisible surplus was £225,000, a sum less by £12,000 than that divided in 1862. This was the only occasion on which Sir John Mowbray ever had to announce a reduction of Bonus to his Shareholders and Policyholders. From 1872 until his death in 1899, he was able to state that every successive Bonus was better than its predecessor.

Shortly after the Bonus declaration, the investment powers of the Society came up for review. A strong Committee of the Board was appointed to go into the question. The Committee unanimously recommended that, "subject to securing the consent in writing of not fewer than nine Directors present at a Board, powers should be taken to invest in any security or investment whatever, personal security alone excepted." The Directors unanimously approved these drastic recommendations of their Finance Committee, and a few weeks later the

matter was placed before meetings of the Proprietors. They, also, were unanimous in approval and the Deed of Constitution was amended accordingly. Remembering that these powers were conferred upon the Directors more than fifty-five years ago, it will be realised that in financial matters Sir John Mowbray and his colleagues secured a freedom of action far in advance of their times.

The Bonus declared in 1872 was satisfactory, the sum of £270,000 being divided—an increase of £45,000 over the amount distributed five years previously. The Balance Sheet is interesting. Out of total assets amounting to nearly two millions sterling, Mortgages on Freehold property and other loans represented about £800,000; British Government Securities £150,000; Colonial Government Securities £75,000; Foreign Government Securities £30,000; Indian Government Guaranteed Railway Stocks £90,000; and English Railway Debentures and Debenture Stocks no less than £640,000. I fancy that in this last investment we may trace the hand of Mr. John Coles, who by that date had become an Auditor of the Society, though his election as a Director did not take place till five years later. Another interesting point connected with this Bonus was the decision of the Directors, acting on the advice of their Actuary, Mr. Cutcliffe,

to set aside a special reserve of £25,000 to provide for adverse mortality in the future. The mortality profits of this Bonus period had been so favourable that as the Chairman remarked in his speech to the Proprietors : " It is certain, by the law of averages, that this will be compensated by an increase of deaths hereafter beyond those allowed for in the calculations." Each generation of Actuaries has been twitted ever since by successive Chairmen—especially by Mr. Coles—as to this "suspended mortality" of Mr. Cutcliffe, with enquiries as to when it will begin to take effect. Fifty years have passed and it has not done so yet. But the provision of this £25,000 was of great value five years later, when it facilitated the substitution of the new and more stringent Mortality Tables, published by the Institute of Actuaries, for the old Carlisle Table which had hitherto been used in all our valuations.

The year 1873 was marked by the opening of an office in the City, which was placed under the charge of Mr. Rice Wasbrough, as Superintendent. Mr. Wasbrough was rather an erratic genius, clever, humorous, a gifted writer, blessed with a ready wit. On one occasion Wasbrough was canvassing a Cumberland statesman who refused to assure his life on the ground that he wanted to live, not to die. "Well," said Wasbrough, "if you will pay us £40

a year we will guarantee that you'll live to be 80." "But, supposing I don't live," said the statesman. "Then the office will forfeit £1,000," exclaimed Wasbrough. "Will you give me that in writing," said the statesman. "Yes, gladly," laughed Wasbrough, "and over the signatures of three Directors on a properly stamped document." Wasbrough hooked his fish. Later he fell into bad health, resigned his appointment, and died prematurely in tragic circumstances.

The Bonus distribution of 1877 showed a further strengthening of reserves, an increase in the amount of surplus divided, and a growth in the allotments made to individual policyholders; the result being that on this occasion for the first time the Cash Bonuses represented 30 per cent. of the premiums paid during the five years. The Bonus Meeting was marked by an interesting speech from Mr. John Coles, who pointed out that the strengthening of the reserves by £85,000 would add materially to the interest earnings, and thus tend to augment future surpluses. The accounts showed that the Life Assurance Fund exceeded £2,000,000, of which Foreign Government securities represented £150,000, and British Railway Debentures and Debenture Stocks £730,000. One more Bonus declaration fell within the period of Mr. Cutcliffe's long term of

office, and the distribution made in January, 1882, surpassed all previous records. The reserves were again strengthened, a new sum of nearly £50,000 being set aside to provide for the immediate payment of claims, while a further £20,000 of the surplus was retained in hand as provision for suspended mortality. The magnitude of the Society grew steadily, the assets now exceeding £2,500,000, and the divisible surplus was £345,000.

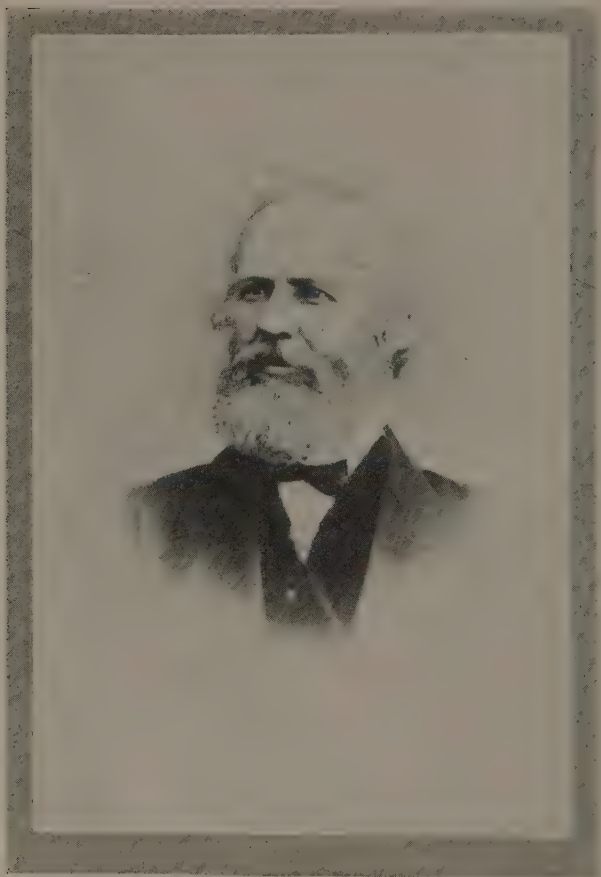
In 1880 Dr., now Sir, Richard Douglas Powell was appointed a Director. Sir Richard has been Physician to three successive Sovereigns of England, and is to-day our Senior Deputy Chairman. Those who know the very active interest which he takes to-day in the medical side of all Life Assurance questions find it hard to realize that it is four and forty years since he first became a Director. Sir Richard's length of service, indeed, far exceeds that of any other member of either the Board or the Staff.

During Mr. Cutcliffe's twenty-four years of office many improvements in procedure were adopted and various additional privileges were granted to the Assured. These have now become so much the common practice among all Assurance Companies that we need not dwell upon them in detail, but it is pleasant to record how time after time the Society

acted as a pioneer in all developments of actuarial science.

Mr. Cutcliffe's chief characteristic as a Manager was caution. Looking back over that middle portion of the Society's history, it was clearly the most valuable quality our Manager could then have possessed. It enabled those sound foundations to be laid on which our future prosperity depended—a sound but prosaic policy of which, later on, his more brilliant and more aggressive successor, Mr. Newbatt, reaped the full benefit. Mr. Cutcliffe was a keen disciplinarian. He knew the details of everybody's work in the office and saw that it was well done and promptly done. Punctually at 4 o'clock the office was closed and all work ceased. Everyone was expected to be punctual in the morning and anyone arriving a minute or two late was fined. Mr. Churchward tells me that in his own young days he was not always accurate, and he got many a rap over the knuckles in consequence from Mr. Cutcliffe. But the staff recognised his kind and genial qualities, and he was always ready to help anyone out of a difficulty with purse or counsel. Personally, he seems to have been a man of very simple tastes, absolutely honest and unaffected. It is told of him that he shocked the aristocratic habitants of St. James's Square by

attending Covent Garden market and carrying home the cabbages. He had a wonderful memory and was a good judge of character—a wise, sagacious man of clear judgment. He was not a ready writer, nor a fluent speaker, and as years went on he became somewhat overshadowed, though never dominated, by the more dazzling qualities possessed by Mr. Newbatt. While, however, he left much in Mr. Newbatt's hands, he never surrendered his own judgment, and in the last resort he quite knew how to let it prevail, if he so wished. His chief strength as a leader lay in finance, and I gather from Mr. Whittall, who served under him for some years, that Mr. Cutcliffe's happy combination of caution and shrewdness was a highly important factor in the successful conduct of our investment policy throughout his long term of office management. But the gap between caution and timidity is small, and I gather that, good as were Mr. Cutcliffe's brains and intuitive judgment, he possessed little in the way of imagination or inspiration. He loved to sail an even and a placid course—a characteristic more valuable to the Society in 1858, when he was appointed chief officer, than during the later years of his management. Yet he was a rapid and sure judge of the capacities of others, and no man was less likely to be imposed upon than he. Looking back upon him as a whole, his dominating



GEORGE CUTCLIFFE.
Chief Officer, 1858-1882.

qualities appear to have been industry, method, absolute truth and trustworthiness—qualities which in the course of years hold their own successfully against merely brilliant intellectual powers.

Mr. Cutcliffe was implicitly trusted by the Directors, as can be gathered from the warm terms in which Sir John Mowbray spoke of his services at the Bonus Meeting just preceding his retirement :

“ Mr. Cutcliffe has fulfilled the arduous duties of Actuary here for twenty-four years. In his presence, I need not dwell on the rare qualifications he possesses. He is a man of the highest principle, strictest integrity, and thoroughly skilled in everything that relates to Life Assurance. He is businesslike in his habits, assiduous in his attention to all his duties, a man most gentle, modest, unassuming, courteous in his demeanour, implicitly trusted by the Board and endeared to everyone in the office. He renders the office popular to everyone that comes into it.”

A fine tribute indeed to have earned from such a Chairman. Mr. Cutcliffe left London after his retirement and returned to his native Devon, where he died in November, 1900, at the age of 75. There followed him into retirement old John Presant, the Chief Clerk, who had served the Society since 1837, and who lived to be ninety ; and Mr. James Bampton, who for many years stood next to Mr. Presant in official rank.

Chapter XXVI

Sir John Mowbray and Mr. Newbatt, 1882-1895

ON Mr. Cutcliffe's retirement in June, 1882, the Directors appointed Mr. Benjamin Newbatt, the Assistant Actuary, to succeed him. Mr. Newbatt had then been in the service of the Society for over twenty-eight years, and for eighteen years had been its second officer. During the later stages of that period he had gradually overshadowed his titular leader, and it cannot be doubted that Mr. Newbatt's initiative largely governed the developments of the Society long before Mr. Cutcliffe's retirement in 1882.

In tracing onwards our chronological record through the thirteen years during which Mr. Newbatt was the chief official of the Society, my task is comparatively easy; but any attempt to paint a pen-picture of the man himself is extraordinarily difficult. Mr. Newbatt was not only a born leader, but throughout his career he refused to admit that any criticism of his own views could be justified. He knew his own job thoroughly—every detail of



BENJAMIN NEWBATT.

Chief Officer, 1882-1895.

it from A to Z—just as Mr. Cutcliffe had done in the earlier days. But unlike Mr. Cutcliffe, Mr. Newbatt could not brook opposition, whether it came from the Directors or from his own staff. In dealing with the Directors he found himself confronted with other strong men, and much friction arose from time to time which could have been avoided by the exercise of a little more tact and persuasion on his part. In the case of the staff, he claimed a position of mastery; he ruled, rather than advised, and it would, to put the matter quite frankly, have been impossible for Mr. Newbatt to have fitted himself into any form of team-work in association with his official colleagues—a condition which, in these later days, is so essential to success, and under modern conditions is so conducive to the smooth working of any organization. To Sir John Mowbray—another unchallenged leader in his own field—Mr. Kempe very happily applied the motto: *Primus inter pares*. These words could never have applied to Mr. Newbatt. No lesser word than *Pontifex* would have been suitable. But forty years ago, a dominating personality of that type proved to be of infinite value in the course of our development. Just as Mr. Cutcliffe, the personification of caution and restraint, built the foundations of our financial strength, so did Mr. Newbatt consolidate and broaden them.

Within a few months of taking office, Mr. Newbatt introduced many improvements. His first step was to re-write the Prospectus. This had hitherto been a very sketchy document, containing merely four pages of general information, followed by half a dozen tables of premiums. Mr. Newbatt instituted a full prospectus, giving details of our valuation, our reserves and our Bonuses ; with particulars showing that the Society's " Conditions of Assurance were free from all needless restrictions and included every facility that could with safety be offered to the Assured." A section was devoted to a description of various special classes of assurance, and this was followed by nine tables of premiums. The whole document ran to thirty-two pages, and for the first time the Prospectus formed a complete guide to the activities of the Society. Mr. Whittall tells me that Mr. Newbatt wrote every word of this document with his own hand, revising and polishing it with scrupulous care until he was satisfied with every sentence. There was at first a good deal of objection on the part of some of the older members of the Board to the introduction of what was regarded as being an unduly commercial production, but the opposition quickly melted away, and after full discussion Mr. Newbatt's carefully thought-out Prospectus was adopted with the unanimous approval of his Directors. The most important

change introduced was the granting of whole-world and unconditional policies in every case where the Assured could satisfy the Directors that he was not likely to travel in tropical countries. To-day such a regulation is usual among Life Assurance Companies, but in 1882 it constituted a bold innovation. For the first time, too, specimen surrender values were published; while largely increased facilities were granted for the maintenance and revival of policies. A new Bonus Option was announced, as coming into use at the next distribution of profits, under which the cash payment could be applied in limiting the number of future premiums. Lastly, the whole of the rates of premium charged in the case of non-participating policies were substantially reduced. Well may Sir John Mowbray have referred to the work of "our capable and energetic Actuary," as having "placed the Society, already so successful, in the front rank of liberal and progressive offices."

The years 1883 and 1884 showed a satisfactory expansion of the business, but were not marked by any special features. In 1885 Mr. W. J. H. Whittall was appointed Assistant Actuary. Mr. Newbatt's first Bonus period ended on June 30th, 1886, and he had the pleasure of being able to record that the new sums assured, which for the previous twenty

years had been practically stationary, had reached a figure well in excess of anything previously recorded. His valuation proved to be a triumph. The reserves were strengthened—to the extent of over £45,000—by the adoption of a mortality table more stringent than any hitherto used ; the surplus divided was £30,000 more than on any previous occasion, and gave to every policyholder the largest allotment he had ever received. Above all, he showed his strength and his foresight by persuading the Directors and the Proprietors to leave no less a sum than £58,000 as undivided surplus, in order to build up an additional precautionary reserve which would help the Society to meet the fall in the rate of interest earnings that was then beginning to show itself and to cause some anxiety as regards its effect upon the Bonus earning powers of the future. In this bold policy Mr. Newbatt received unswerving support from Sir John Mowbray. In this connection Mr. Whittall wrote in 1902 : “ Sir John Mowbray knew far too well the proper functions of a Chairman to do other than trust to his responsible advisers for initiative in such matters ; but whenever their advice was on the side of caution, no one could have more heartily adopted it and made it his own. The forces on the side of present self-restraint are not so strong as to make increased reserves popular, and without the

Chairman's support—and that signified his intellectual concurrence—it is unlikely that we should have become, as we did, one of the pioneers in the modern movement towards the greatest possible security."

Concurrently, Mr. Newbatt was chafing at the limitations and restrictions imposed upon the Society by the old Deed of Constitution, which was out of harmony with modern practice, and the defects of which, in the opinion of our legal advisers, could only be remedied by an Act of Parliament. In no other way could the Society acquire power to allot Bonuses on policies which became claims between divisions of profits ; or to issue Endowment Assurances on a participating basis ; or, in fact, to make any modification in the rigid system of allotting Bonuses which was laid down in the old Deed. Above all, Mr. Newbatt was convinced that it was of vital importance in relation to the future welfare of the Society that there should be some limitation of the share of the Proprietors in future profits—a suggestion which could only be carried into effect by the goodwill of the Proprietors themselves, who had to be asked and persuaded to divest themselves of part of what they regarded as their undoubted right. The plan which Mr. Newbatt recommended was that the cash sum to

be allotted to the Proprietors in 1887 should not be increased at any subsequent Bonus distribution unless and until a one-tenth share of the divisible surplus should represent a larger sum.

Mr. Newbatt succeeded in convincing his Directors that his argument was a sound one, alike on grounds of principle and of expediency ; while Sir John Mowbray, in his turn, was equally successful in convincing the Proprietors that, in the long run, a present monetary sacrifice would conduce to their ultimate advantage. At the Meeting held on November 26th, 1886, the Proprietors resolved, *nemine contradicente*, to approve the terms of the draft Bill submitted to them and to consent to its passing into Law, " subject to such alterations as Parliament may think proper to make therein and as the Directors may approve." With one dissident only, the Proprietors agreed that forthwith, upon the passing of the Bill into Law, the Deed of Settlement should be repealed and new Laws and Regulations and Provisions for the future government of the Society should be substituted.

This amending Bill received the Royal Assent on March 29th, 1887, and on the 1st July a General Meeting of the Proprietors was held to repeal the existing Deed of Settlement and to approve the new Laws and Regulations which had been drafted

by Counsel. Their approval on this occasion was unanimous, as was that of the confirmatory Meeting held a fortnight later.

The main credit for this result undoubtedly belongs to Mr. Newbatt. All his characteristic qualities came fully into play and contributed to his success. Few other men—perhaps no other man—could have brought about so great a change. The forces of conservatism were very strong and many of the Proprietors were at first bitterly opposed to any reduction being made in the share of the profits to which they were legally entitled. But Mr. Newbatt's bold policy gradually prevailed; he gained more and more converts to his views, and the number of those who persisted in their opposition to the very end became reduced to two, and finally to one. It was the greatest of Mr. Newbatt's many achievements.

In this same year, the Hon. George N. Curzon, M.P., now the Marquess Curzon of Kedleston, joined the Board. He retained his seat until 1898 when he was appointed Viceroy of India.

An event important in the domestic history of this eventful year was the appointment of Mr. George Gould Churchward as Manager of our City Office. Mr. Churchward joined the service in 1857,

and for many years has been the only survivor of those who worked under Mr. Pinckard. For a generation he was the undisputed leader of our outdoor staff, and it is no disparagement of his colleagues to state that he was the most consistent and the most successful canvasser for new business that ever served the Society. In his early days he travelled over every part of the country, visiting and appointing Agents, interviewing clients, persuading the reluctant, challenging and converting the hostile, convincing the doubtful as to the advantages of life assurance in general and of the C.M. and G. Society in particular, temporising in difficult cases by refusing to take "No" for an answer and more often than not closing the interview by filling up the proposal form and taking it away in his pocket. Many a story does Mr. Churchward tell of the difficulties of travel in the earlier days, the long hours of work and waiting, the constant discomforts, and how quickly all these disagreeable things became forgotten in the pursuit of his object and the securing of the proposal. I believe that, on more than one occasion, at least ten years of sustained effort elapsed before Mr. Churchward successfully ran his quarry to earth! In 1881 the Directors recognised the value of Mr. Churchward's work by appointing him as our first Superintendent of Agents, and printing his name

in the papers of the Society. He held this position for six years and in 1887 was appointed Manager of our City Office. Here for fifteen years he worked with unvarying success, his main trouble being the increasing difficulty he found in beating his own previous records of new business. In his first year Mr. Churchward increased the business of the Branch by fifty per cent., the next year he doubled it; two years later he trebled it, and in the year of his retirement the gross new business he introduced exceeded £300,000. After nearly forty-six years of unwearied effort Mr. Churchward retired in December, 1902, and settled down in his native Devon. There he still resides, in a healthy and vigorous old age, retaining all his keen interest in the affairs of the Society. In the preparation of this little volume of reminiscences I have been greatly helped by the vivid notes of the earlier days which Mr. Churchward has so kindly furnished to me, and I gladly take this opportunity of tendering to him my very warm thanks for placing his recollections so freely at my service.

The position in the City being thus happily settled, Mr. Newbatt next devoted his energies to the development of the provincial business. In February, 1888, a Branch Office was opened at Manchester under the supervision of Mr. D. Y.



GEORGE GOULD CHURCHWARD.

City Manager, 1883-1902.

Mills—the well-known chess player ; shortly afterwards Branch Offices were opened at Birmingham, at Leeds and at Bristol, under the charge of Mr. Henry Champ, Mr. J. M. Dale and Mr. Edward Minors respectively.

Another important development of 1888 was the appointment by the Directors of a Professional Auditor. It was felt that in view of the growth in the magnitude of the Society, the continuous examination of the accounts by a Professional Auditor was needed. The Directors' choice fell on Mr. Frederic John Young, F.C.A., of the firm of Messrs. Turquand Youngs & Co. ; and the Minute of appointment specially laid it down that " in all important particulars Mr. Young should personally conduct the examination." Mr. Young loyally carried out the spirit of this agreement until his death in 1922.

The next important task which Mr. Newbatt, or rather Mr. Whittall, undertook was an investigation of the Mortality Experience of the Society since its foundation in 1824. The work was laborious and prolonged, and a special staff was retained for the purpose. Separate investigations were made of Healthy and Invalid lives, and of Males and Females : the sixty-four years under review were also sub-divided into three periods of approximately

twenty years each, so that the effects of various degrees of medical selection might be closely investigated. It was found, as was anticipated, that each successive period showed a lighter rate of mortality; and this especially proved to be so in the case of the Invalid lives, where modern methods of diagnosis naturally produced the greatest effects. The mortality throughout proved to be more favourable than that shown by the contemporary Tables published by the Institute of Actuaries, especially at the younger ages. The female mortality was, at each period, somewhat less favourable than the male.

In 1890, Mr. Newbatt was appointed President of the Institute of Actuaries, the highest professional prize open to any Actuary. In the same year he was chosen as the first Chairman of the Life Offices' Association—a body which deals with the business side of Life Assurance, just as the Institute deals with the technical and scientific side. In both capacities he acquitted himself admirably, his masterly Presidential address to the Institute being a model of literary form and of practical common sense. His dignity and his eloquence made him an admirable Chairman at the sessional meetings.

Once again, in 1891, Mr. Newbatt signalised his originality. He decided to recommend to his

Directors that the persistent fall in the rate of interest justified a departure from the old 3 per cent. basis, which since 1824 had been employed in every valuation of the Society. For this fundamental and very costly change he had already carefully prepared the ground. He had reserved, as we have seen, £58,000 of undivided surplus in 1886. The sum so reserved with its interest accumulations amounted to fully £70,000 in 1891, and Mr. Newbatt decided that the resources at his disposal would enable him to pass at once to a $2\frac{1}{2}$ per cent. valuation basis, coupled with a small but satisfactory increase in the Bonus allotments. Those who have followed Mr. Newbatt in the management, and all the policyholders of the next succeeding generation, may be thankful that in 1891 Mr. Newbatt adhered so steadfastly to the Society's firm line of severe restraint as regards distribution of current profits. This change in the valuation basis cost over £95,000; towards which, as indicated above, some £70,000 had been already provided out of the savings of the past. But Mr. Newbatt, not content with this, placed an additional £40,000 to reserve. It should be added that the credit of being pioneer as regards the adoption of $2\frac{1}{2}$ per cent. interest as the valuation basis belongs to Mr. George King, who used this rate in his valuation of the Atlas Assurance Company, in

December, 1889. Mr. Newbatt and Mr. Frank B. Wyatt, the Actuary of the Clergy Mutual, ran neck and neck in the struggle for second place. Mr. Wyatt just won, as his office closed its books in May, 1891, and Mr. Newbatt had to wait until June 30th before making his valuation. The two offices were followed in later years by several other Companies in adopting a $2\frac{1}{2}$ per cent. interest basis as their valuation standard.

At this valuation Mr. Newbatt obtained the sanction of the Directors to the introduction of a new principle in the method of allotting Bonuses to the Assured. Hitherto the method adopted had been to divide the surplus in proportion to the amount of premium paid in each five-year period. The result of this system was that an identical share of surplus was received, whether a policy had been in force five, ten, twenty or fifty years. With a $2\frac{1}{2}$ per cent. valuation basis, it became obvious that the proportion of the total profits derived from surplus interest would be larger than hitherto, and it followed, logically, that as the reserves from which such interest earnings were derived were mainly held against the older policies, such policies should in equity receive a larger proportion of the surplus than that allotted to policies recently effected. The Directors approved the recommendations

made by Mr. Newbatt for improving the bonuses on the older policies without materially decreasing the allotments made to those of short duration ; but the adjustments so sanctioned could not be applied to the Bonus declared in January, 1892, and the practical application of the amended scheme was left for Mr. Whittall to carry through five years later.

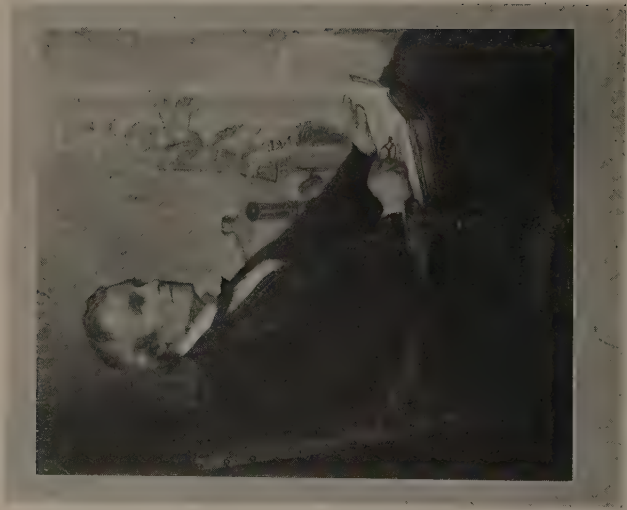
The stability of the Society's scale of profits and the practical certainty of its continuance, now justified Mr. Newbatt in recommending the introduction of the " Prime Cost " or " Discounted Bonus " system—then almost a novelty, but now so firmly established as one of the chief of the Society's attractive features. The principle underlying the scheme is that a large proportion of the probable bonus is anticipated and is applied in reduction of the ordinary full participating premiums. The sum so advanced each year is treated as a debt, and this debt is discharged every five years out of the successive Bonuses. In effect, a policyholder thus obtains the advantage of an assurance participating in Bonuses, at a cost which is generally a little lower than that at which ordinary non-profit policies can be effected. The new Table was introduced in July, 1891, and achieved an instant success.

Sir Wm. Bowman, who had been a most active member of the Board for nearly forty years, and a Deputy Chairman since 1858, died in 1892. As a young man he had won for himself a leading position among the most eminent anatomists of his time, and earned distinction both as an operative Surgeon and as a teacher of Physiology. Later in life he became recognised as the chief representative in this country of ophthalmic medicine and surgery. He was a great gardener and botanist, his green-houses and garden containing a matchless collection of plants and shrubs from every climate and corner of the earth. On his death, Sir John Mowbray appointed Sir James Paget as Deputy Chairman.

In July, 1893, Mr. Newbatt, then in his sixtieth year, was suddenly stricken down by an attack of blood-poisoning and pneumonia. Mr. Whittall was away on holiday in Switzerland, and every effort was made to keep from him the knowledge of Mr. Newbatt's grave illness. It was at the suggestion of Sir John Mowbray that the Chief Clerk, Mr. Joseph Powell, so dearly loved by all of us—he had a heart of gold and the gruffest of voices—was put in charge of the office, and Mr. A. M. Humphreys was associated with him as chief lieutenant. Mr. Newbatt, who never seems to have had a day's serious illness in all his long years of



SIR JAMES PAGET, BT., F.R.C.S.



SIR WILLIAM BOWMAN, BT., F.R.C.S.

service, just pulled through, and in the late autumn he had sufficiently recovered to return to work, but he was never quite the same man again. There still remained, however, for him one more triumph. In 1894, Sir William Vernon Harcourt, the Chancellor of the Exchequer, introduced his famous Estate Duty Budget. Modest as was the scale of duties then fixed in comparison with that now in force, the effect upon the volume of the new business of Life Assurance Offices was immediate. Mr. Newbatt at once introduced a special "Estate Duty Clause" into our Policies, which permitted the payment of the Sum Assured direct to the Inland Revenue Authorities as soon as proof of death was furnished, and without waiting for the customary production of probate. The full effect of this legislation was shown in our business returns for 1894-5, when the new sums assured for the year—which ended on the 30th June, 1895, the day of Mr. Newbatt's retirement—reached a total of close on £700,000, a figure some £150,000 in advance of anything previously recorded in our seventy-one years' history.

Some extracts of Mr. Newbatt's letter of resignation to the Directors may fittingly be quoted in this record of a very remarkable personality. Mr. Newbatt writes :—

" GENTLEMEN,

" After much consideration, but with the keen regret which you will well understand, I have come to the conclusion that the time has arrived for asking you to relieve me of my duties as Actuary and Secretary. I have been led to prefer this request at this particular moment for official as well as personal reasons, and I trust that you will not regard it as either premature or inopportune.

" Almost immediately after the close of the present financial year, matters of importance in connection with the next Bonus will need to be submitted to you, and it would seem well that they should be both initiated and, if sanctioned, carried into effect by one and the same Principal Officer. Moreover, I shall in May next attain 61 years of age and complete 41 years of service—31 out of the 41 as an advertised Officer of the Society; and this will establish a unique record.

" . . . As an illustration, of great natural interest to me, of the large area which my personal experience covers, I should like to be permitted to say that the Society, as now represented by its Policyholders, has been almost wholly built up within my recollection. Of the 12,400 Policies now in force, all but 455 have been put on the books in my time and have thus more or less passed through my hands. . . ."

" But, as a last word, I may, I hope, express my conviction that at the end of these long

years, rendered happy to me by your unstinted confidence and generous support, I shall leave the Society which has ever had all my devotion and all my affection, stronger, more prosperous, and certainly not less honoured, than at any previous moment of its existence.

“ I have the honour to be, Gentlemen,

“ with much esteem,

“ Your faithful servant,

“ B. NEWBATT.

“ The Chairman & Directors

“ of the Clerical, Medical & General

“ Life Assurance Society.”

On his retirement Mr. Newbatt married and took a voyage to Australia, partly on business, but mainly in order to enjoy a long rest after the strain of his official duties. On his way home he stayed in Italy for a time and was there attacked by a distressing illness. He died at Florence in June, 1896, at the age of 62, and was laid to rest in the beautiful Episcopalian Cemetery, where so many of our countrymen have been buried.

In the opening paragraphs of this chapter I have expressed the difficulty I find in drawing any picture of Mr. Newbatt. The only course seemed to me to leave the man's actions to speak for themselves. We have seen something of his energy, his initiative, his power of leadership, his success in trampling down all opposition. No man who

carried through a succession of changes so drastic and far-reaching could be popular. Nor did he ever seek to be popular, for Mr. Newbatt was consistent. He knew his strength and he disdained any efforts to conciliate those from whose views he differed—whether they were Directors or members of the Staff. For good or for ill he cleft his way according to his lights. He had a bitter and sarcastic tongue—I have even heard it described as vitriolic. He seldom, if ever, praised; but never hesitated to find fault. To those who served under him the process, at the time, was unpleasant. Perhaps it was salutary also. Despite all the success he achieved in his career I feel that he must have been a lonely man—that was inevitable to one of his temperament—perhaps an embittered man, though this one can only imagine, for he was reticent about his own affairs. Yet he was a devoted son. In his early days he had been an assistant schoolmaster in a small Lincolnshire town. As soon as his financial position allowed, he brought his mother up to London and thereafter he lived with her to the day of her death in 1875. She had, I am told, an unbounded admiration and affection for him. It should be added, too, that Mr. Cutcliffe had for Mr. Newbatt a very real and lasting regard. The two men were in many ways the very antithesis of each other, but the underlying basis of the character of

each was sincerity, coupled with a complete absence of petty-mindedness. And thus it was that these men, so widely different in temperament, were able to work together harmoniously for so many years.

Looking back on him, as I do now, over an interval of more than thirty years, I recognise as the dominant characteristic of his career that, despite his hardness and his arbitrary judgments, Mr. Newbatt devoted all his great abilities with unswerving purpose to the service of the Society that he loved so well. Let me close this chapter by quoting the words he used at the last Bonus Meeting which he lived to address :—

“ I have fulfilled the promise I made to myself in my very early connections with this office ; I said then that if it ever fell to my lot to take an active and a great share in this Society, I would not cease until I had made it the strongest office in the world.”

Chapter XXVII

Sir John Mowbray and Mr. Whittall

ON Mr. Newbatt's resignation in 1895, Mr. Whittall was appointed the chief officer of the Society. The appointment was, as a matter of fact, not only fully earned by past service, but inevitable. For many years past it had been obvious that he had been selected for leadership. Indeed, the tale goes that while Mr. Whittall was still the junior clerk, Mr. Newbatt, when putting him under the charge of one of the senior members of the staff said: "You are going to train the future Actuary of the Society." Whether this story be true or not, Mr. Whittall soon justified Mr. Newbatt's prescience.

His beginning was typical of his future. In 1873 his father—the Secretary of the Statistical Society and the permanent Assistant Secretary of the Institute of Actuaries, then located in the London Library building, next door to our office—needed clerical assistance and naturally turned to his son for



WILLIAM J. H. WHITTALL.
Chief Officer, 1895-1906.

the purpose. Mr. Whittall was thus brought into contact with the Institute of Actuaries from the moment he left school, and in the course of his duties had the opportunity of meeting many of the leaders of the profession. It was not long before Mr. Cutcliffe, then the Treasurer of the Institute, noted the budding powers of the youth, and a little later, Mr. Newbatt went out of his way to come into personal contact with him. The result was that in April, 1874, after the interview with the Committee already recorded, Mr. Whittall found himself appointed junior clerk to the Society—the lowest rung of the ladder which every chief officer of the Society, before and since, has successfully climbed throughout the full century of our existence. At an unusually early age Mr. Whittall passed the successive examinations of the Institute of Actuaries, securing the coveted Fellowship in 1880. He contributed his first paper to the Institute not long afterwards and for many years was a frequent contributor to their *Journal*, and took part in the sessional discussions. When Mr. Newbatt was appointed chief officer of the Society in 1882, Mr. Whittall had already won for himself an unchallenged position on the staff, and thus it soon followed that when Mr. Newbatt took his annual holiday, Mr. Whittall was left in charge of the office. In November, 1885, he was appointed Assistant

Actuary, and during the ensuing ten years he steadily consolidated his powers of leadership.

In speaking of one who was my immediate predecessor and who is still living, I find it very difficult to set down any purely impersonal summary of Mr. Whittall's characteristics. I think, however, that I may sum them up best as being those of scientific imagination and financial knowledge, coupled with a very lovable and understanding personality. On the intellectual side, he was head and shoulders above all his predecessors, and he was the first of our chief officers to devote his powers largely to financial problems. This was, indeed, quite what one would expect, for his actuarial attainments and his analytical tendencies led him inevitably in this direction. Mr. Newbatt had devoted his life to the building up of the actuarial reserves and had brought these to such a point of perfection that, on his retirement in 1895, he was able to boast, with perfect truth, that the Reserves of the Society, relatively to its obligations, were amongst the strongest in the world. But Mr. Newbatt did not, so far as one can gather, devote anything like the same degree of attention to investment questions. He adhered steadfastly to the beaten track, and I can trace little sign that he altered, in any marked degree, the stereotyped lines which had governed our financial policy in past

generations. It may be that in this impression I am not quite fair to Mr. Newbatt, for the conservative influence of Sir John Mowbray was then a dominating consideration in all investment questions, and Sir John was so strongly averse from any new departures that Mr. Newbatt may have felt it useless to seek changes in this field and have regarded it as being more profitable to promote the attractive powers of the Society in the direction of Life Assurance developments.

Be that as it may, Mr. Whittall's appointment synchronised with the need for an entire reconsideration of the Society's investment policy. It must be remembered that Mr. Newbatt's activities had largely stimulated the new business and that the sums for which fresh investments had to be found year after year were, consequently, far larger than had formerly been the case. And at the same time the difficulties of finding suitable channels for investments were becoming more and more acute. So far as the Society was concerned, the Stock Exchange had been almost abandoned for many years past, as British Railway Debenture Stocks were yielding barely $2\frac{1}{2}$ per cent., and even securities of the second class were hopelessly unattractive. The Mortgage market offered a slightly more promising field, so far as immediate interest yield was

concerned, while giving undoubted security from the point of view of the invested capital.

But Mr. Whittall's immediate problems were not limited to finance. Mr. Newbatt had long recognised that the Society's Bonus system gave too much to the new policies and too little to those of long duration. Mr. Whittall's influence can clearly be traced in the lines of Mr. Newbatt's amended Bonus scheme, but while both were conscious of the financial difficulties involved, it was Mr. Whittall alone who was left to face them. The central problem was how to provide a sufficient improvement in the Bonuses allotted to the older policies without jeopardising the successful working of the Prime Cost System by bringing about too great a fall in the initial allotments. In view of the steady shrinkage of the interest earnings, Mr. Whittall could not reasonably count on much, if any, expansion in the normal rate of profit earnings ; indeed, he had only too great reason to fear their gradual curtailment. It was clear, therefore, that the desired changes in the Bonus System had to be brought into operation very carefully and very slowly. Mr. Whittall, with the Bonus distribution only eighteen months away, thus had his hands full of financial and actuarial perplexities at the date of his appointment.

Not content, however, with these outlets for his energies, our young Actuary, as Sir John, then eighty years of age, affectionately called him, was no sooner installed in power than he took steps to arrange that the lower part of the Society's House should be entirely remodelled in order to accommodate the increased office staff, and that the upper part should be renovated in order to fit it for family use. The result of that work is the present large and convenient front office, with adequate strong-room accommodation in the basement. In those days the main office was divided by a wall across the centre, the Actuary sitting in the back room and the staff in the front portion. The Assistant Actuary had a miserable, ill-lighted, little box in the centre, and there was a long narrow strip of a so-called strong-room where all the office records were stored. Knowing something of the difficulties which Mr. Whittall had had to meet in persuading Sir John Mowbray to adopt his suggestions for improving the office accommodation, I asked him to tell me just what occurred, and he has very kindly sent me the following notes :—

“ Sir John Mowbray had a great affection for the house and could not bear to see it pulled about. He was aghast at my proposal to dismantle the Strong Room. When, however, our Experts reported that the Strong Room was

worse than useless for its purpose, the Chairman at last, but very grudgingly, gave his consent. But the following week when he saw the effect of the whole clear space that had resulted from the demolition, he was intensely pleased with it and came into my room beaming with delight and apologising most handsomely for all the trouble which he had given."

A little later on, Mr. Whittall found that while Sir John approved the alterations to the fabric, his economical bent of mind made him hesitate about equipping the enlarged office with the mahogany fittings and furniture needed in order to link on the new portion with the old. The total cost involved was only about £300, but both Sir John and Mr. Whittall were obdurate. The solution of the problem must be set forth in Mr. Whittall's own words :—

" I obtained an estimate from a firm who, I thought, could be trusted to do good work. To Sir John this was the last straw. He thought it was a ridiculous expenditure of the Society's money, and I suppose he also thought it was time to pull me up. As I refused on my side to have anything like inferior work for such a permanent purpose, things were at a deadlock. So we looked up any old furniture and desks that we could find in the cellars, and managed as best we could with the help of a common carpenter and some green baize, and by buying

one or two separate writing tables. The effect on a visitor as he walked through the nice part of the front office and came on these ramshackle arrangements in the new part was rather comic ; but Mr. Besant and I had other things to think of. Mr. Coles, however, was subjected to a good deal of chaff on the subject outside the office, and at last he told the Chairman it was not respectable. I thereupon, to help matters, offered to bring up to the Chairman a somewhat modified proposal. The dear old gentleman accepted the bridge which I had offered him and it was all settled amicably at last."

Mr. Whittall took advantage of the opportunity offered by these office alterations to introduce central heating, and thus, in more senses than one, the office became a far more comfortable place when Mr. Whittall started as Chief Officer.

Another change introduced in 1895 was the adoption, at Mr. Whittall's instigation, of the Reassurance principle, thus bringing the Society into line with the almost universal practice of Life Assurance Institutions. Mr. Newbatt had resolutely opposed this development throughout the whole of his official career.

Mr. Whittall's valuation report in connection with the 1897 Bonus not only embodied the principle sanctioned by the Directors five years previously of

allotting an increased share of the divisible profits to the older policies, but took the first step towards many important changes in our methods of distribution. He was able to add nearly £60,000 to the reserves and to allot to the Policyholders the largest Bonus hitherto declared in our history. Mr. Whittall seized this opportunity to revise the whole of our Tables of Premiums, and the non-profit rates were substantially reduced. The new quotations were based upon our own mortality statistics, reference to which has been made in the previous chapter.

Sir John Mowbray was then over eighty years of age, his dislike of any change in our financial methods had become accentuated, and in spite of all Mr. Whittall's efforts, Sir John could not be induced to part with any considerable portion of our high-class Stock Exchange Securities. Mr. Whittall's scheme was to sell large blocks of these investments and put to reserve the huge profit realised. The proceeds would have been mainly invested in mortgages, which though yielding only $3\frac{1}{2}$ per cent., or even $3\frac{1}{4}$ per cent., would have increased the interest income of the Society and have preserved the capital intact. At that date our funds amounted to £3,500,000, and a profit of £523,000 could have been made by sales ; but of this only £24,000 was

realised. During the ensuing five years, which included the period of the Boer War, a further £28,500 was secured, but the margin of market values over cost price had by this time shrunk to £252,000—just one-half of the 1896 figure. Five years later, the margin had again greatly diminished and that opportunity was lost for ever.

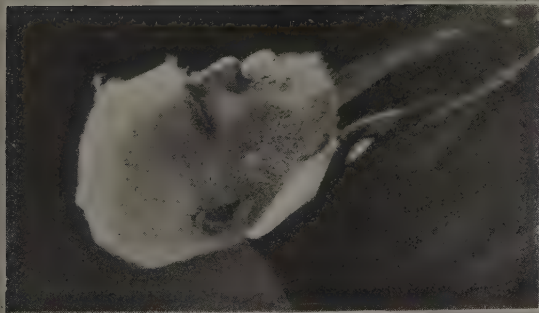
In 1897 Mr. Whittall introduced the system of Deferred Assurances for Children. The Table proved an immediate success, and formed the basis of the more extended schemes which are still so popular to-day.

Late in the autumn of 1897 Mr. Whittall was attacked by a severe illness which prostrated him for many months and ultimately necessitated his taking a period of sick leave. To meet the emergency, I was appointed Assistant Actuary and Second Officer of the Society, and Mr. Alfred M. Humphreys was made Assistant Secretary, the first holder of this office since the resignations of Mr. Richards and Mr. Hubbard in 1825.

At the time of my appointment I had been in the service of the Society for nearly nine years and, like Mr. Whittall, had gained the Fellowship of the Institute of Actuaries by examination. The same year saw the resignation, on account of failing health, of Sir James Paget, our Senior Deputy



GEORGE A. BROWN.
City Manager, 1902-1918.



ALFRED M. HUMPHREYS.
Assistant Secretary, 1898-1907.

Chairman. He died shortly afterwards in his eighty-fifth year, and it may be mentioned as a matter of curious interest, that just prior to his resignation, the united ages of the Chairman and of the two Deputy Chairmen, exceeded two hundred and fifty years. Sir John at once appointed Mr. Wilfred Cripps as a Deputy Chairman, and in this way clearly indicated his choice of a successor.

Throughout the ensuing winter Sir John attended the Boards regularly until the death of Lady Mowbray in February, 1899, and among his last official acts was the appointment of Mr. Maurice O. FitzGerald as a Director, in the place of Lord Curzon of Kedleston, Viceroy of India. Sir John attended the Board for the last time on April 14th, 1899, and, as already recorded, died peacefully a few days later. He had nearly completed the eighty-fourth year of his age, and had been a Director of the Society for more than fifty-three years.

His death, despite his great age, was quite unexpected. In the previous week he had presided as usual at two Board Meetings, apparently in his usual robust health. None of us, in fact, ever thought of Sir John as being ill. I called at his house on the morning of April 22nd to enquire how he was progressing, and shall never forget the feeling of consternation and incredulity with which I learnt



THE MOST HONOURABLE THE MARQUESS
CURZON OF KEDLESTON, K.G., P.C.,
G.C.S.I., G.C.I.E.



JOSEPH LISTER MDCCCXXVII-MCMXII
STUDENT ARTS AND MEDICINE MDCCCXLIII-
MDCCCLII FELLOW MDCCCLXI CREATED
BARON LISTER OF LYME REGIS MDCCCXCVII
AWARDED THE ORDER OF MERIT MCMII

LORD LISTER.

that he had died a few hours previously—a feeling which was shared by everyone connected with the Society. Mr. Whittall expressed in touching words the thought then uppermost in the minds of all of us : “ His place will be filled and his work go on in other hands, but St. James’s Square is the poorer, and can never again be quite the same without Sir John Mowbray.”

Chapter XXVIII

The Chairmanship of Mr. Wilfred J. Cripps, 1899-1903

ON May 10th, 1899, the Directors unanimously elected Mr. Wilfred J. Cripps, C.B., F.S.A., as their Chairman. After serving as an Auditor for some years, Mr. Cripps had joined the Board in 1880 and had ever since been one of the most active members. He belonged to the well-known Gloucestershire family of that name, seated at Cirencester, a borough which his father and grandfather had represented in Parliament for many years. He practised at the Bar for a short time, but afterwards concentrated his attention on local affairs as an active County Magistrate and a member of the Thames Conservancy Board. He devoted special study to the problems of Life Assurance for the poor, old age pensions, etc., at a time when these matters did not occupy so prominent a place in our social life as is the case to-day ; and he was especially interested in the "Holloway" Societies. Apart from these matters, Mr. Cripps was a well-known authority in the world of antiquaries, and his book on Old



WILFRED JOSEPH CRIPPS, C.B.

Chairman, 1899-1903.

English Plate is still regarded as a standard work on that subject.

In accordance with precedent, Mr. Cripps's first official act was to select two Deputy Chairmen. He re-appointed Prebendary Kempe and chose Sir Richard Douglas Powell to fill the vacancy caused by his own election to the Chair.

In July, 1900, our Law Courts Branch was opened at 58 Carey Street, and preliminary steps were taken, with the cordial co-operation of Mr. Coles, to secure a more suitable site in the City than the first floor office we had occupied since 1873. Eventually, a first-class position—No. 1 King William Street—became available, and we began negotiations to purchase it from the owners, the Universal Life Assurance Society, which for many years had occupied it as their Head Office. Several other bidders were in the market, but at last we and one other were alone left, and Sir George Hardy, the Manager of the Universal, decided that he would act as Auctioneer and let us bid against each other. I was sent into the City with authority from the Board to bid up to £43,000. My opponent turned out to be the Manager of another Insurance Office, and neither of us, I fancy, was best pleased to see the other! Bidding started at £37,000 and rose quickly to £42,000, then more slowly until my

opponent bid £43,000. I had reached my limit, but decided to make one more bid, and offered £43,100. To my great relief he preserved a dead silence, and a moment later the building was ours. It turned out that in each case the limit had been fixed at £43,000. In due course a suitable new building was erected, and was opened under the management of Mr. George A. Brown, who succeeded Mr. Churchward in January, 1903. It may here be added that in 1918 the Society was offered such tempting terms for the site that we did not feel justified in refusing. We thus reaped a very handsome profit, and settled down a few doors away at No. 8 King William Street, our present City Office.

The year 1901 brought with it another actuarial investigation, and on this occasion Mr. Whittall carried through a general revision of our Bonus distribution methods. The scheme devised by Mr. Newbatt ten years previously proved to be somewhat complicated in practice, and after much consideration a simpler and more direct plan, producing almost identical results, was prepared by Mr. Whittall and myself and approved by the Board. Many and many an hour did Mr. Whittall and I spend after office hours pacing up and down the garden of St. James's Square in order to hammer out the details of the new scheme, in the fresh air. As regards the

valuation, the changes begun in 1896 were carried a stage further, the reserves were slightly strengthened and the Bonus allotments were again increased.

A year later the Society opened an office in Newcastle, thus raising the number of our Branches to seven. The expansion of our new business and the increased number of the staff also made it necessary to undertake the rebuilding of the whole of the back portion of our Chief Office at St. James's Square. Plans were accordingly prepared by Messrs. Dunn and Watson, the Architects who had designed our City Office, and in September, 1903, the building contract was signed. This proved to be almost the last official act of our Chairman. Mr. Cripps had been for some months in failing health, and he died on the 26th October, at the early age of 62 years. He had been Chairman for four years only, but for nearly a quarter of a century he had been one of the most hard-working and zealous members of the Board. In spite of his illness he maintained his regular attendance at the Board till within a month of his death, and he had the happiness of knowing that the long-continued success of the Society under Sir John Mowbray had been more than fully maintained during his own period of leadership.

Mr. Cripps's tenure of the Chair was not sufficiently long to enable him to impress his individuality upon the Society to any marked degree. But looking back to that date, it is clear that the long Chairmanship of Sir John Mowbray represented a certain crystalization of ideas and methods, and that a change of spirit at the top was beneficial to the development of the Society along more modern lines. Mr. Cripps was no doubt conscious of this himself, for he invariably gave his sympathetic general support to Mr. Whittall in carrying through the various reforms to which reference has been made. With the closing of the nineteenth century, changes in old conditions and old methods had become imperative and Mr. Cripps rendered the Society valuable service in making the inevitable break.

Chapter XXIX

Mr. John Coles

ON November 11th, 1903, Mr. John Coles, F.I.A., was unanimously elected as Mr. Cripps's successor, and thus began a Chairmanship which will long be memorable in the Society's annals. Mr. Coles was then seventy years of age, though no one could be induced to believe it. As has already been indicated in an earlier chapter, Mr. Coles first became directly connected with the Society in 1851 when, as a lad of eighteen, he left his beloved Devon and started on the stage coach for London to make his fortune. From that time onwards, as he has himself stated, his interest in the Society never wavered. He became a policyholder in 1860, a shareholder in 1864, an Auditor in 1870, and a member of the Board in 1877. When he first came up to town he entered the service of an insurance company, and joined the Institute of Actuaries, his membership of which extended over the remarkable period of sixty-seven years. He became a Fellow of the Institute by examination in 1864, and in due course was an applicant for the vacant Actuaryship of the *Equity and Law Life Assurance Society*. The successful



JOHN COLES AND HIS MOTHER.

candidate was a Senior Wrangler. Not long afterwards Mr. Coles gave up insurance, and transferred his energies to the Stock Exchange, where he quickly built up an extensive general connection and became recognised as the leading expert in all insurance matters. It is safe to say that for at least a generation no one was more widely consulted than Mr. Coles in all questions of insurance amalgamations and management. Apart from his insurance work he took a leading part in the reorganization of the London Docks some thirty years ago, and for a quarter of a century he was a Director of the Hudson Bay Company, on whose behalf he twice visited Canada. On the second occasion he was almost eighty years of age, but he thought nothing of travelling to Vancouver and back in less than two months. Throughout his long life his physique was magnificent, and there seemed no limits to his energy. Apart from his many London interests, he retained to the end his affection for all Devonian matters, especially those of Tiverton and Blundell's School. He rarely missed a Meeting of the Governors of the old school, and his election as Freeman of the Borough was a source of very legitimate pride to him. In his earlier life, Mr. Coles had parliamentary ambitions, and was adopted as Liberal candidate for Tiverton; in fact, had it not been for the disfranchisement of the borough

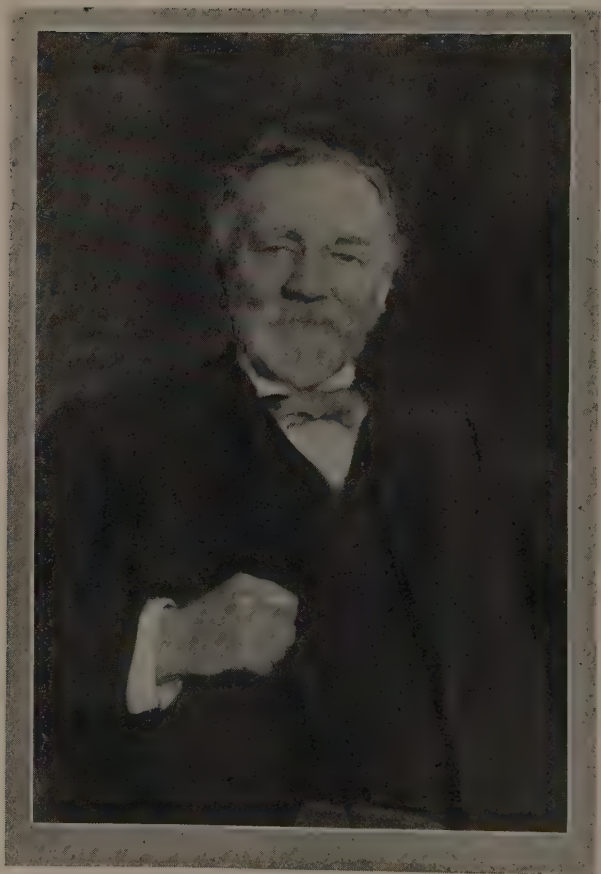
under the Redistribution of Seats Act in 1885, he would undoubtedly have represented this constituency in Parliament. A little later on, he contested, though unsuccessfully, the St. Albans division of Herts. In 1892 he was again pressed very strongly to stand for Parliament, but came to the conclusion that in his sixtieth year it would not be wise for him to face such a serious addition to the already long list of his activities. In speaking of the many aspects of Mr. Coles's work, it would not be right to omit all mention of his long-continued interest in Poplar Hospital, of which late in life he became the President. In this connection Mr. Coles often told an amusing story. Mr. Sydney Holland, now Lord Knutsford, met Mr. Coles one day in the City and persuaded him then and there to visit the Hospital. Mr. Sydney Holland insisted on paying for the cab, but Mr. Coles used laughingly to say, "It was the most expensive cab ride I ever enjoyed."

From the time he became Chairman, in 1903, it may be said without the slightest exaggeration that thenceforward he devoted to the Society the whole of his great energies and enthusiasm. Probably no Chairman of a Life Office ever had such an intimate and complete knowledge of the business, and to this Mr. Coles added the great weight of his shrewd

financial judgment and an unequalled power of exposition. His annual speeches, to the preparation of which he devoted the utmost care, were widely read and quoted.

These annual speeches of Mr. Coles always attracted considerable attention in the City for the grasp which they showed of insurance problems, and particularly for his views on insurance finance. On the latter question recent troubles have accentuated the differences of opinion which have always existed as to what properly constitutes insurance finance. Here Mr. Coles shared the cautious traditions of his predecessor, Sir John Mowbray. He was, indeed, so fond of fine permanent securities that he was inclined to ignore market fluctuations, and it was not easy to persuade him to part with an investment.

It would not be fitting to close this notice without some reference to Mr. Coles's personal charm. He was seen at his best at the Board Meetings, at which he presided with so much skill and tact. Himself a man with strong views, he never attempted to enforce his own opinions upon his colleagues, and it was his pride that the decisions of the Directors were nearly always unanimous. The affection and respect in which he was held by his colleagues, as well as by the shareholders and by all the connections



JOHN COLES.

Director, 1877-1919; Chairman, 1903-1919.
From a Painting by SIR HUBERT HERKOMER, R.A.

of the Society, was shown by the ready response to Sir Gerald Ryan's happy suggestion a few years ago that his portrait should be painted by Herkomer and hung in the Society's Board Room. A replica of the portrait, which is a very striking likeness, was presented to Mr. Coles.

Chapter XXX

Mr. John Coles, 1903-1914

FINANCE naturally became a more dominating factor in our affairs when Mr. Coles had been installed in the Chair, and it is not surprising to learn that one of the first matters which engaged his and Mr. Whittall's attention was the rate of interest realised on the Society's mortgages. By 1903 a higher yield could be secured on investments than had been the case a few years previously and the standard rate on our mortgages was raised to four per cent.

In 1904 Mr. Whittall secured the Directors' approval of a change in the method of payment as regards the share of the profits falling to the Proprietors. For eighty years the allotment had been made in a lump sum, once in five years, as each Bonus was declared. For this was substituted the far more convenient plan of an equal half-yearly distribution. Many other amendments of the Society's "Laws and Regulations" were also introduced, so as to bring these more closely into accord with modern developments and needs. Soon afterwards, at Mr. Whittall's instigation, the

Book-keeping system of the Society was entirely overhauled. The old system, while sound in essentials, was cumbrous and capable of being improved.

A year later the Society resumed the granting of Life Annuities, a class of business which had not been transacted here since 1838. Various guaranteed benefits were also introduced with a view to rendering our non-participating contracts more attractive to the public.

Mr. Whittall's health had long been unsatisfactory, and in August, 1905, as a matter of convenience, the Offices of Actuary and Secretary were separated, Mr. Whittall remaining Actuary and Chief Officer, while I was appointed Secretary. Mr. Whittall devoted all his powers to the settlement of the principles of the 1906 valuation, and after most careful consideration adopted the new Mortality Tables of the Institute of Actuaries as the basis, with various adjustments and additional reserves. The surplus available proved to be not only larger than on any previous occasion, but sufficient to enable a special additional Bonus to be allotted to the older policies.

Just prior to the Annual Meeting in November, Mr. Whittall, on account of long-continued ill-health, found it necessary to tender his resignation

to the Directors. His service had covered a period of nearly thirty-three years, during twenty-one of which he had been an advertised officer of the Society. In his letter to the Directors, Mr. Whittall wrote : " The grief of this severance from my life's work is somewhat softened by the reflection that the Society could not well have prospered more than it has done, and that, measured either by its real excellence, or by its public repute, it never stood higher than it stands to-day." The Board, in accepting Mr. Whittall's resignation, unanimously adopted the following Resolution :—

" In accepting with the greatest regret the resignation of Mr. Whittall on account of long continued ill-health, the Board desire to tender to him a cordial expression of their sympathy. They confidently trust that the relief from the responsibility and anxiety attendant upon his official position may have a beneficial effect upon his health.

" The Board desire also to place on record their high appreciation of the value of his services to the Society. His administrative ability, his high principles and his great actuarial skill have conduced greatly to place the Society in its present high position, by improving its general resources, and thus enabling it to face with constantly increasing success the keen competition of the present day.

" The Directors fully recognise how markedly the Society has prospered during the period of

Mr. Whittall's management and that it is mainly due to his efforts and ability that the Society has now attained so high a standard of efficiency."

Mr. Whittall's resignation took effect on October 31st, 1906, and as soon afterwards as was practicable he was elected to a seat on the Board.

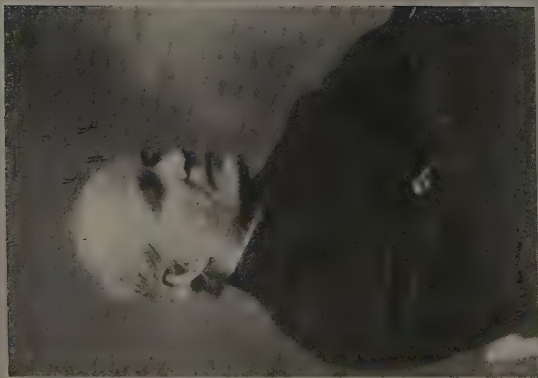
On Mr. Whittall's resignation, I was appointed to succeed him as Chief Officer. I had worked under him then for some seventeen years, first as a junior in the Actuarial Department, later as Assistant Actuary, and then as Secretary; and I can never be sufficiently grateful to him for his unceasing kindness and the encouragement shown to me throughout all this period. Mr. Whittall possessed in a very high degree that invaluable quality in leadership of inspiring devotion from those who served him. He gave credit in most generous measure for all one's efforts and thus inspired all of us to do our best. The amount of work which he got through would have been a heavy tax for a strong man: handicapped as he was by frail physique, the record of his activities during an all too short period of management is really wonderful. On the intellectual and creative side, his powers were at their zenith at the date of retirement, and it was nothing short of tragedy that ill-health prevented him from retaining his position at the helm until he had been



ARTHUR DIGBY BESANT.
Chief Officer, 1906-

able to bring to a successful conclusion all those changes in the methods of Bonus distribution which were being gradually brought into operation at successive divisions of profits. Mr. Whittall, however, had the solace of seeing the new method, not only working well, but thoroughly established, with every indication that, in due course, it would come into complete operation. As it was, the closing stages of these changes have been carried through during my own period of office, but there has been no considerable departure from the lines originally framed so many years ago when, as a younger colleague, I was privileged to share with Mr. Whittall the task of transforming, almost out of recognition, the former Bonus system of the Society, by steps so gradual that no Policyholder should ever be conscious of any sudden departure from old-established principles.

In March, 1907, two months after the Bonus declaration, Prebendary Kempe died. He was a remarkable old man. Born in 1810, he had been a member of the Board for nearly fifty years, and as Senior Deputy Chairman he invariably took the Chair when Mr. Coles, for any reason, was absent. At the age of eighty-five he resigned his Rectorship of St. James's, Piccadilly, but he retained his position as Chaplain to Queen Victoria, and when he was



THE VERY REV. FREDERIC W. FARRAR, D.D.



REV. PREBENDARY KEMPE.

ninety years of age I remember hearing him preach an extremely vigorous and pugnacious sermon at the Chapel Royal during the most depressing stages of the South African Boer War. He described his recreations as being, in earlier years, fishing ; in old age, chess and Latin verse. At the age of 92 he wrote for us a little book, entitled " Recollections of a Director." It began in the most delightful way with the casual statement : " For forty-five years, nearly half of my life, I have been a Director of the Society." He dedicated his volume " To the memory of the Record Bonus of 1902." There was a touch of irony in this. At the Bonus Meeting of 1897, five years previously, Sir John Mowbray had referred in his speech to an article in an insurance publication entitled " Death of the Big Bonus." The article was illustrated by the picture of a tombstone, with the inscription : " Here lies the last of the big Bonus Estimates ; we shall never see their like again." As a chess player, Mr. Kempe was a redoubtable opponent at ninety-five. He knew his book game thoroughly, as I often learnt to my cost, and he was never more dangerous than at the close of a long-protracted and strenuous tussle. He attended the Board Meetings regularly till a few weeks before his death, and to the very end he was always eager to sign as many documents as we cared to place before him. His penmanship was both swift

and perfect. We had all hoped that, like his sister, he would live to become a centenarian. In due course the Rt. Hon. Sir Evelyn Cecil, M.P., was elected as Deputy Chairman in place of Prebendary Kempe.

The years that followed 1907 do not call for any detailed notice. They were marked by steady progress and expansion ; the inevitable result of that great financial strength which the wise restraint of my actuarial predecessors had built up, so steadily, in order to render our position impregnable. But by June, 1911, the date of our next actuarial investigation, the position of our assets was far less favourable than in the past. Gilt-edged securities had been steadily shrinking in price for many years, and the margin of value of our Stock Exchange investments over their cost price had become reduced to a relatively small figure. The Directors accordingly decided, on my advice, to apply £30,000 in writing down certain investments.

The fall in the value of the fluctuating securities had, of course, a certain reflex effect, for it enabled us to secure a higher rate of interest upon our Mortgages, and this compensated, to some extent, for the depreciation of our Stock Exchange investments. In the end, we found ourselves in the happy position, not only of maintaining every existing reserve on the old $2\frac{1}{2}$ per cent. basis, but of being

able to add a further £35,000 thereto, and to couple this with an increased allotment to our older policies. In 1911 we were, in fact, at last able to bring to full fruition the ambitious and far-reaching Bonus scheme adumbrated by Mr. Newbatt in 1892 and so steadfastly pursued, stage after stage, by Mr. Whittall in 1897, 1902, and 1907.

Apart from the stimulus to our new business which the record Bonus declaration afforded, much care was devoted to the task of attracting and retaining the interest of the public, either by introducing new schemes of assurance or by re-clothing some old scheme in a less familiar garment. Foremost among these were policies giving various forms of "Options"—a cardinal feature in modern Life Assurance; Educational Policies were introduced and the old scheme of Deferred Assurance for Children was re-modelled.

At this period of our history, there had recently been many amalgamations among Assurance Companies and the advantages of a fusion between a Life Office and a Reversionary Company were clearly realised. With the cordial approval of the Chairman informal negotiations were opened between the Society and the *General Reversionary and Investment Company* with a view to seeing whether we could offer a price which the Reversionary Company would

be willing to accept and which at the same time would be such as to afford us an attractive investment for a very large sum. In due course I was instructed to make an actuarial valuation of the Assets and Liabilities of the Company as at 30th June, 1912, and to report to our Finance Committee. My valuation was based on $4\frac{1}{2}$ per cent. interest, with a considerable safety margin for contingencies, and without any allowances for goodwill; it showed that we could afford to pay £775,000 for the purchase of all the Shares, 5,000 in number. Terms satisfactory to both sides were quickly arranged. We made an offer of £150 per share, provided that the holders of at least 95 per cent. of the shares would sell to the Society at this price. In the course of a few weeks the necessary consents were received and on the 1st January, 1913, the transaction was completed. The Members of the Society's Finance Committee constituted the new Board of the Company, under the Chairmanship of Mr. M. O. FitzGerald. Mr. R. R. Tilt remained Actuary and Secretary, and I was appointed General Manager, in an advisory capacity. The investment has been a profitable one and a valuable addition to the Society's connections.

In other respects our financial position in 1913 was less satisfactory, the Annual Report of that year containing the following entry :—



ROBERT R. TILT.
Actuary of "General Reversionary," 1905-1920.



FRANK L. COLLINS.
Actuary of "General Reversionary," 1920-

“ In order to meet the continued fall in the value of all high-class Stock Exchange Securities, the Directors have applied £100,000 in writing down Consols to 70 and the other Investments to such a point as to bring the total book values well below market price.”

It was natural, therefore, that renewed attention should be devoted to the Mortgage field. Mr. Coles had then recently returned from a business visit to Canada, in the course of which he had devoted much time and thought to the general investment problem there, and had had interviews with leading Canadian financiers, both in the old settled towns of the East and in the newer settlements of the far West. At his suggestion I prepared a Memorandum on the question of investing money in Mortgages on property in Canada, and in March, 1914, our Finance Committee, after full consideration, approved the general principle of Canadian Mortgages. It was decided that I should visit Canada in order to work out the complete details on the spot—and there I found myself at the outbreak of War.



THE RT. HON. LORD ILKESTON.
Formerly SIR WALTER FOSTER, M.D., M.P.



SIR WILLIAM H. BROADBENT, B.T., M.D.

Chapter XXXI

Mr. John Coles, 1914-1919

WHEN I started for Canada, accompanied by Mr. G. H. Lawton, now the Senior Assistant Secretary of the Society, the situation was alarming, but no one quite believed that War could be imminent. When I reached Quebec the Directors sent me a cable to proceed on my mission, and thus it was that it fell to the Secretary, Mr. O'Neill, to bear the whole burden of "carrying on" during the opening weeks of the struggle. Mr. O'Neill had been in our service since 1888—a year longer than myself. After winning his spurs as an Inspector in the City under Mr. Churchward, and later in the Home Counties, he had been appointed Branch Manager at Leeds in 1895. Eight years later he was brought up to London by Mr. Whittall as Superintendent of Agents when Mr. G. A. Brown succeeded Mr. Churchward in the City, and shortly afterwards he was made Assistant Secretary. In 1913 he was appointed Secretary, in my place, my own title being changed to that of General Manager and Actuary. The task of conducting the office work under the abnormal conditions of August, 1914,



HARRY DUNCAN O'NEILL.
Secretary, 1913-

could not have fallen into more competent hands. Full of resource and capable of meeting any emergency with unruffled composure, Mr. O'Neill's brilliant powers were seen at their best. I leave him to tell the story of those stirring weeks in his own words :—

“ During those early days of August, 1914, there were of course many difficulties ; none could foresee events nor foretell to what extent the pressure for money might compel policy-holders to apply for policy loans or cash surrender values. Plans, therefore, had so to be laid that nothing should take us by surprise. An acute minor difficulty was involved by the fact that within a fortnight nearly half our staff had joined the colours, and that, none the less, life assurance was unquestionably a business which it was a necessity to carry on. Existence, from the point of view of an executive official, seemed indeed for some little while to consist of a succession of improvisations.

“ There were many meetings at which chiefs of the various assurance offices assembled together to discuss the many urgent questions that arose, concerning our own internal affairs on the one hand, and the far more important national questions on the other, where the release of staff for service, the extra premiums to be charged to cover war risks on new policies, and the setting free of money for the approaching Government loans were involved

" In all these questions our Directors, led by Mr. Coles, adopted one consistent line ; they refused to be alarmed and they were entirely courageous. From the day when war was declared, the Board gave the utmost encouragement to all the men who were so eager to serve, and allowed none to suffer financially by so doing. The Directors announced themselves as being ready to lend to all comers on the security of policies, and they made financial provision to meet the demand which was thought to be possible, but which, as we now know, never reached a point which caused us the least real inconvenience. The Board took the same line with regard to the Government's financial requirements, beginning immediately so to rearrange their financial programme that they could make the utmost response to the Chancellor's needs.

" In the office itself the same spirit prevailed ; senior clerks, in the sudden absence of all juniors, had to put their hands to detail work which they had not performed for years, and moreover, to do this in addition to their ordinary work. Hours, of course, were very long, here as elsewhere, during that transition period, but there was never less grumbling in the office. Life may have been anxious, but it was intensely interesting."

On my return in October, after a voyage not devoid of excitement as we neared the coast, I found the office completely changed. All the younger men

had gone. They had joined up in the first days of the war, and the internal work of the office had been entirely reorganised. Business generally was almost at a standstill, despite the slogan then so current : "Business as usual." Meantime, Mr. Coles remained a tower of strength. At the outbreak of the war he had just started for his annual holiday, and was somewhere in South Devon. He was then eighty-one years of age, but he came straight back to town in order to preside over the next Board Meeting. The Minutes of August 5th, 1914, state :—

"At the opening of the Board the Chairman rose and made a statement as to the satisfactory position of the Society at this moment of public disturbance, and he mentioned the steps which had been taken to meet the exceptional circumstances which had arisen or which seemed likely to arise in the immediate future."

Power was taken to obtain advances, if required, from our Bankers on the security of our holdings of Bearer Bonds, rates were fixed for new policy loans, and all current expenditure on new buildings, office decorations, etc., was stopped. At the annual meeting in November, Mr. Coles dwelt in detail upon the general financial outlook. "These are not the times," he said, "for laying down any hard and fast rules, but for watching the trend of events. We are surrounded by new conditions without any

precedents to guide us. . . . In conclusion, I have only to add that we confidently face the future, whatever it may bring."

For the year ending June 30th, 1914—five weeks prior to the war—the new sums assured had, for the first time in our history, exceeded a net total of one million sterling, and the growth of our funds was larger than in any year previously recorded. A year later the new business showed a heavy fall and the Directors inserted in the Annual Report the following comment with regard to the customary valuation of the Assets :—

" The introduction of the New $4\frac{1}{2}$ per cent. War Loan in the closing days of the Society's Financial Year so affected the values of all securities as to render impossible any satisfactory valuation as at the 30th June last. The Directors therefore decided to postpone any fresh valuation of the securities until the 30th June, 1916, when the current quinquennium ends. It may be assumed that a heavy shrinkage in the market value of the Stock Exchange Securities will then have to be met, but it is satisfactory to recall that substantial provision for contingencies has been made in the Society's past valuations."

The actuarial investigation which fell to be made in June, 1916, was the heaviest responsibility ever placed upon my shoulders, and the work entailed in

determining the lines on which the assets should be valued engaged the attention of the Finance Committee for many months. The Mortgages, etc., gave us little cause for anxiety. The General Reversionary Shares were revalued on a stringent basis, and as the various adverse features were to a large extent neutralized by recent investments of large sums on profitable terms, the net result was that only about £18,500 had to be written off. On the Stock Exchange securities, the depreciation, as nearly as could be estimated, amounted to £255,000, and a further £25,000 had to be provided in respect of Ground Rents, House Property, etc. In the end, the round sum of £300,000 was written off the value of the Assets in addition to the £100,000 written off in 1913. As regards the Liabilities, there had naturally been during the two war years a heavy reduction of our accustomed scale of profits from favourable mortality, but fortunately the first three years of the quinquennium had been so exceptionally lucrative in this respect, that the total profit from this source during the five-year period slightly exceeded that of the previous quinquennium—five years of Peace. The profits from surplus interest were large and the minor sources of profit were higher than they had been previously to the war. It was abundantly clear that the Society, without touching a penny of its abundant reserves, could afford to pay and could

safely pay a handsome scale of Bonus to its Policyholders and Shareholders. It was equally clear that by absorbing a portion of the extra reserves which, at valuation after valuation, had been provided as our emergency fund—what Mr. Newbatt in 1886 termed a “ Bonus Equalization Fund ”—we could maintain in 1916 the record standard of distribution reached in 1911. The Directors accepted my recommendation that the $2\frac{1}{2}$ per cent. valuation standard should be retained throughout, and that out of our floating additional reserves such a sum should be taken as was required to provide the balance needed for the maintenance of our Bonus. We divided £796,000, a sum larger by £40,000 than had been distributed at any previous Bonus Distribution. The Chairman, in his speech at the Bonus Meeting, said :—

“ In 1911 the Directors were in the enviable position of being able to report that for the ninth time in succession the Bonus then declared was better than its predecessor. Although the Valuation period now under review includes two years of war, the rate of Bonus to-day declared exactly reproduces at every duration the record allotments to the Policyholders made in 1911. You, and some of our friends who are competitors, may ask how has this been managed. Well, fortunately, we have never divided too closely, and for years past have been steadily setting money aside for a rainy day, for the purpose of maintaining profits. That day

has now come. We have now used part of these special Reserves to help in meeting the depreciation of securities, but we still retain almost £200,000 as provision for the future."

The war lasted for another two years, during which many perplexing questions had to be faced and solved, but I need not dwell on these matters here. I must, however, refer to the loss of Mr. George Brown, our City Manager, who died with tragic suddenness in January, 1918. He was succeeded by Mr. Noel Bridgman, who for some years had been the Assistant City Manager. And I wish gratefully to place on record the action of Mr. A. M. Humphreys and of Mr. S. G. Tarrant, two of our pensioners, who resumed their office work at a time when our skilled staff had been reduced to its lowest by the exigencies of war, and who thus helped to tide us over a period of acute difficulty.

A few days before the Armistice, Mr. Coles delivered the last of his speeches at our Annual Meeting. Confident and courageous as ever, he discussed the future with his usual keen insight :—

" In surveying the entire field of Life Assurance in this country, we may well feel proud of the way that Companies have met the serious effects of this war. They have easily fulfilled all their engagements and may count upon an extended field and considerable prosperity after

the war is over. Those who handle insurance finance are fully alive to the importance of considering the financial condition of the future. It is clear that we are face to face with a new order of things. This need not cause us any alarm, but it has a profound interest for us all. I am confident that, in the future as in the past, Life Assurance will continue to adapt itself readily to any new conditions."

During the spring and summer of 1919, though Mr. Coles's physical strength was gradually declining, he continued to preside at the weekly Board Meetings as effectively as ever. On the 24th September he took the Chair for the last time. There was a heavy Agenda for the Board and a long meeting of the Office and Finance Committee followed. In conducting the business he showed all his old powers and shrewd judgment. A day or two later he caught a slight chill, which confined him to the house, but it was typical of the man that during these closing moments of his life he continued to be busily engaged in drafting the speech which he hoped to deliver at the Annual Meeting of the Society early in November. On the 18th October he died very peacefully in the eighty-seventh year of his age. He could himself have wished for no better ending of his long and useful life than to work with undimmed energy to the very last, and that blessing was vouchsafed to him in fullest measure. A few months

before his death, when confined to bed by a chill, he sent to me the following characteristic message—pencilled on a postcard—in answer to a letter advocating some new scheme :—

“ I like enterprise—Go ahead.”

Sir R. Douglas Powell, the Senior Deputy Chairman, in announcing Mr. Coles's death to the Board, paid him this fine tribute :—

“ Mr. Coles has for forty-two years been a wise and trusted counsellor on this Board, whose knowledge of Finance and Actuarial Science has far exceeded that of any Director of his time. His wise, dignified and courteous leadership in the chair can never be surpassed and we all know that the prosperity and development of this Society was an interest ever present to his heart. He was an inspiring personality. It may be said

‘ He was a man, take him for all in all,
I shall not look upon his like again.’

But the inspiration remains to us, an inspiration to beneficent purpose, which has built up this Society to its present very high position in the Assurance World. We look back with gratitude upon his many years of leadership and fine example.”

The following tribute was paid to him by one of his oldest personal friends :—

“ To know Mr. John Coles intimately, one had to get inside his marked personality. Then

his fine character and big heart were conspicuous and they encouraged younger men. He did not 'suffer fools gladly,' but his kindness, sincerity, and straightforwardness were compensation for that. His sagacity and tenacity, his thoroughness in work, and his desire to do the right thing, combined with his readiness to help others, made him a stimulating example to his juniors.

"G. E. C."

At the Annual Meeting held a few days later, Sir R. Douglas Powell read the speech which Mr. Coles had prepared and to which he had continued to add finishing touches almost up to the day of his death. The year under review covered four months of war and eight months of peace. The new business at once responded to the new conditions and reached a net total of £1,185,650, the highest figure in our history up to that date. It was a fitting close to the services which Mr. Coles had so long rendered to the Society that he loved so well.

Chapter XXXII

Our Roll of Honour

THE Society's Roll of Honour is one of which we may well be proud, for out of a Staff numbering 80 in all at the outbreak of the War, no less than 48 served with the Colours. In addition, 14 juniors, taken on as temporary clerks in the course of the long struggle, joined up as soon as they reached military age. Our death roll was terribly high as compared with the number exposed to risk, and amongst those who were killed we had to deplore the loss of some of our most promising younger men.

The sacrifice of twelve valuable young lives is commemorated for all time in the beautiful bronze tablet which the Directors have caused to be erected upon the wall of the Front Hall of the Chief Office.

The War record both of the members of the Board and of the Staff is set forth below :—

Roll of Honour.

DIRECTORS.

Capl. Sir George F. Blacker,	Royal Army Medical Corps,
C.B.E., M.D., F.R.C.S.	T.F.
Col. Sir John Rose Bradford,	Army Medical Service.
K.C.M.G., C.B., M.D.,	
F.R.S.	

IN MEMORY OF
TWELVE MEMBERS OF THE STAFF
OF THIS SOCIETY

BIDWELL CLAUDE	MAGGEL WALTER K
CARTIR GEORGE L	MANN FREDERICK C
DAVIES LESIE	ROYIE FRANK L
GOSSEY GERALD R	SACH CHARLES H
HUTCHESON JOHN	WALLIS HARRY
KERR DONALD	WHITTLE W V P C

WHO FELL IN DEEDENCE OF THEIR COUNTRY
IN THE GREAT WAR

1914-1918

Their names are on the

WAR MEMORIAL.

DIRECTORS (Cont.)—

Lt.-Col. Sir Alfred Pearce Gould, K.C.V.O., M.S., F.R.C.S.	Royal Army Medical Corps, T.F.
Major Sir Percival Horton-Smith Hartley, C.V.O., M.D.	Royal Army Medical Corps, T.F.
Lt.-Col. The Rt. Hon. Sir Samuel Hoare, Bt., C.M.G., M.P.	Staff.
Col. Sir Walter R. Lawrence, Bt., G.C.I.E., G.C.V.O., C.B.	Staff.
Capt. The Rt. Hon. The Earl of Lichfield	5th Batt., London Regiment.
Col. Sir Frederick Treves, Bt., G.C.V.O., C.B., F.R.C.S.	Army Medical Service.
Col. Sir Edward Ward, Bt., G.B.E., K.C.B., K.C.V.O.	Commandant-in-Chief, Metropolitan Special Constabulary, etc., etc.

STAFF.

2nd Lieut. C. Bidwell	. 10th Batt., Loyal North Lancashire Regiment. <i>Killed in Action.</i>
Naval Instructor G. L. L. Carter.	Royal Navy. <i>Died on Service.</i>
Capt. L. Davies	. 15th Batt., London Regiment. <i>Killed in Action.</i>
Sergt. G. R. Goosey	. 20th Batt., London Regiment. <i>Killed in Action.</i>
2nd Lieut. J. Hutcheson	. 10th Batt., Sherwood Foresters. <i>Killed in Action.</i>
2nd Lieut. Donald Kerr	. 2nd Batt., London Scottish. <i>Killed in Action.</i>
Private W. K. MacGee	. 1/6th Seaforth Highlanders. <i>Died on Service.</i>
2nd Lieut. F. C. Mann	. 1st Batt., North Staffordshire Regiment. <i>Killed in Action.</i>



COL. SIR FREDERICK TREVES, BT.,
G.C.V.O., C.B., F.R.C.S.

Director, 1909-1920.



LT.-COL. SIR ALFRED PEARCE GOULD,
K.C.V.O., M.S., F.R.C.S.

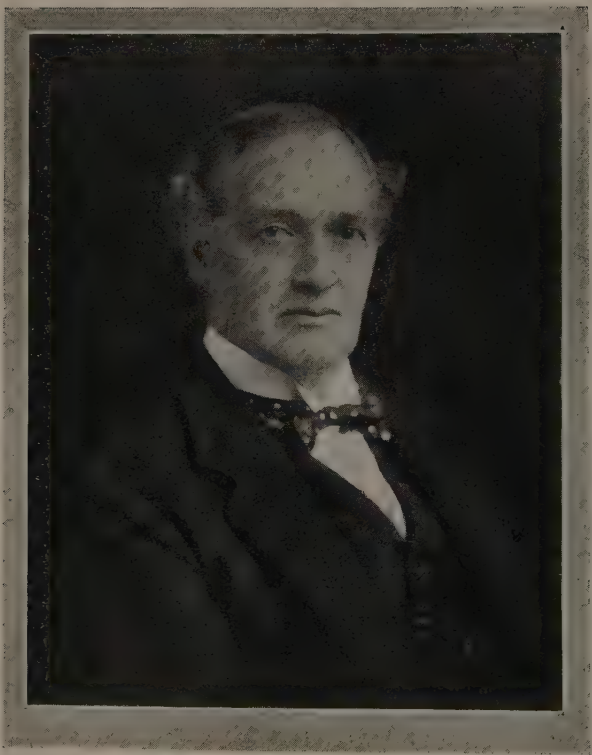
Director, 1911-1922.

STAFF (Cont.)—

Lce.-Corporal F. L. Royle .	3/5th Batt., Yorkshire Regiment. <i>Killed in Action.</i>
2nd Lieut. C. B. Sach .	1st Batt., 13th London Regiment. <i>Killed in Action.</i>
Naval Instructor Harry Wallis	Royal Navy. <i>Killed in Action.</i>
2nd Lieut. W. V. P. C. Whittle	1st Batt., Worcestershire Regiment. <i>Killed in Action.</i>
2nd Lieut. M. T. Annesley	3rd Batt., Cameron Highlanders.
Lce.-Corporal P. Atkinson	51st Batt., Rifle Brigade.
1st Air Mech. F. A. Bailey .	Royal Air Force.
Lieut. S. Baird . . .	2/10th Batt., Manchester Regiment.
Private J. Bamford . . .	3/6th Batt., Manchester Regiment.
Sergt. R. Bayldon . . .	Royal Army Medical Corps.
Major J. H. Blackney . . .	17th Batt., London Regiment.
Major P. Brachi, M.C. . . .	Royal Garrison Artillery.
Private C. J. H. Bromley . . .	28th Batt., London Regiment.
Capt. C. D. Butler . . .	Royal Air Force.
Rifleman N. L. Carey . . .	5th Batt., London Regiment.
Lce.-Corporal C. R. Casson, M.M.	10th Batt., Royal Fusiliers.
Gunner G. M. L. Chambers	Royal Field Artillery. <i>Invalided.</i>
Private D. A. Churchouse . . .	Training Reserve Batt.
Private E. Cohen . . .	Royal Army Service Corps.
Sapper O. F. Diver . . .	Royal Engineers.
Dispatch Rider G. L. Driver	Montgomeryshire Yeomanry.
2nd Lieut. F. C. Duncan . . .	Royal Garrison Artillery.
2nd Air Mech. C. U. Ellis . . .	Royal Air Force.
Lieut. T. L. Fielder . . .	2nd West Yorkshire Regiment, <i>Prisoner of War.</i>
Lieut. C. Foster . . .	No. 10 Mountain Battery, R.F.A., attached R.G.A.
Assist.-Paymaster G. A. Fox	Royal Naval Reserve.

STAFF (Cont.)—

Lieut. D. I. Gotch, M.C.	6th Northamptonshire Regiment. <i>Prisoner of War.</i>
H. Haddon (A.B.)	H.M.S. "Obdurate."
Private E. Hardy	Royal Air Force.
Lieut. R. M. Hull	Royal Army Service Corps. <i>Invalided.</i>
2nd Lieut. W. M. Jones	Royal Army Service Corps.
Lieut. L. B. Kelsey	1st Guards Brigade.
Driver C. J. Long	Royal Army Medical Corps.
Major R. B. Mansell	Royal Air Force.
Private E. Marriott	Honourable Artillery Company.
Capt. C. C. Monkhouse, M.C.	Royal Garrison Artillery.
Capt. E. F. J. Mugliston	Royal Field Artillery.
Lt.-Col. J. Muller, M.C.	36th Batt., Machine Gun Corps.
Lieut. E. F. Phillips	5th Manchester Regiment.
Lieut. H. W. B. Rawlings	Suffolks, attached 21st Middlesex Regiment.
Private W. H. Rowe	Training Reserve Batt.
Corporal A. H. Rowell	Royal Engineers.
Private A. E. Smith	Oxford and Bucks Light Infantry.
Capt. A. F. Smith	Royal Air Force.
Lieut. B. Smither	Royal Field Artillery.
2nd Lieut. A. L. Stevens	Royal Field Artillery.
Lieut. G. F. Sutton	122nd Rajputana Infantry.
Cadet L. C. Taaffe	28th Batt., London Regiment.
Private R. H. Tarry	16th Batt., London Regiment.
2nd Lieut. C. E. Terrell	23rd Royal Fusiliers.
2nd Lieut. E. N. Wanostrocht	Royal Garrison Artillery.
Lieut. L. A. Westcott	Royal Air Force.
Private C. L. Westley	1/1st London Regiment
2nd Lieut. T. J. P. York	Royal Air Force.



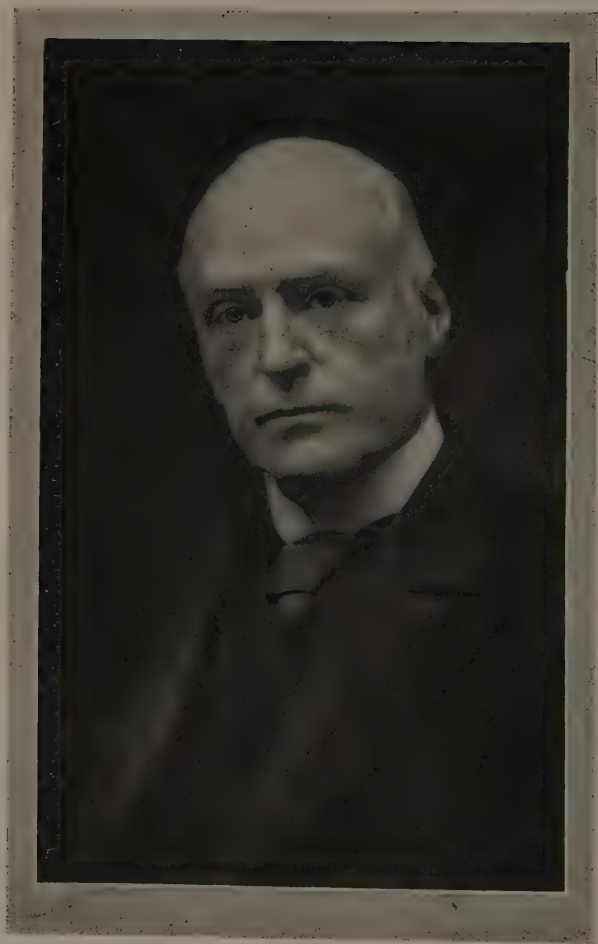
FRANCIS E. J. SMITH.
The Present Chairman of the Society.

Chapter XXXIII

The Chairmanship of Mr. Francis Smith, 1919—

FROM time immemorial the Directorate has included one or more members of the legal profession, and from 1889 to 1913 our representative on the Solicitors' side was Mr. Peter Williams. Owing to advancing years he then retired from the Board, and three years later his place was filled by the election of Mr. Francis E. J. Smith, partner in the firm of Messrs. Lee and Pembertons, and a Member of the Council of the Law Society. Mr. Francis Smith, after being educated at Winchester, proceeded to New College, Oxford, where he took honours in Classical Moderations and Literæ Humaniores. In 1889 he qualified as a Solicitor, joining his present firm a year later. His business powers, his legal knowledge, his gift of lucid exposition and his personality, quickly raised him to a leading position in our councils, and on the death of Mr. Coles in 1919 his colleagues on the Board unanimously elected him Chairman of the Society.

Mr. Smith found many urgent questions awaiting his attention. First and foremost came finance.



SIR RICHARD DOUGLAS POWELL, BT., K.C.V.O., M.D., D.Sc.

Discussion as to the relative merits of holding long-dated or short-dated securities was then acute, and for the first time in our history we broke through the old axiom, held here for so long, that the corollary of long-dated contracts was long-dated investments, and that an investment suited for purchase in one set of conditions should necessarily be held for all time under totally changed conditions. Within a few months of Mr. Smith's election as Chairman, long-dated securities to the value of nearly two and a half millions sterling were sold, the proceeds being invested in short-dated securities. It was fortunate that this course was adopted, for the type of securities we had sold continued to droop in value and at the date when our valuation period ended in June, 1921, we found that we had escaped a fall in market values exceeding £70,000.

Apart from finance, the period succeeding the war brought to a head a difficulty which had been growing more and more acute for many years. Amalgamation had become the order of the day, both in the Banking and in the Insurance world, just as in the commercial world the great store was supplanting the petty trader who dealt in one line only. In our own case we found that, as we supplied Life Assurance and nothing else, while the powerful Composite Companies were supplying every type of Insurance



THE RT. HON. SIR EVELYN CECIL, G.B.E., M.P.

—Life, Fire, Accident, Burglary, Employers' Liability—we were at a great disadvantage in competition, however good might be the article we tendered to the public. As a remedy for our troubles we debated whether we should establish a subsidiary Company, to deal with all forms of Insurance other than Life ; or whether we should purchase an existing Company transacting such classes of business ; or whether, as an alternative, it would be practicable for us to join forces with such a Company. After long deliberation, we came to the conclusion that the last of these courses would be the most advantageous. We had long been maintaining friendly relations with *The Employers' Liability Assurance Corporation*, an office which did not conduct Life Business ; for they, like ourselves, found that their Agency connections wished to transact every type of Insurance, and joint agency appointments were thus advantageous to each of us. It was natural, therefore, that the two offices should gravitate gradually towards each other and in the summer of 1920 definite negotiations were set in train. As the result, the *Employers' Liability* offered to purchase the shares of the Society at a price advantageous to our Proprietors and to contribute the sum of £45,000 to our Life Assurance Fund. Representatives of each side were appointed to the respective Boards ; Sir Joseph Broodbank, Mr. Gray,



SIR JOHN ROSE BRADFORD, K.C.M.G.,
C.B., M.D., F.R.S.



SIR GEORGE F. BLACKER, C.B.E., M.D.,
F.R.C.S.

Sir Samuel Hoare and Colonel Sir Edward Ward joining that of the Society, while our Chairman and I joined the Board of the Corporation. The association of the two Institutions has worked admirably and as time goes on the advantages of the new management are showing themselves more and more.

At the Annual Meeting in November, 1920, Mr. Smith had the pleasure of including in the Report the following paragraph: "The Directors take pride in recording that the new Life Business has again exceeded anything in the previous history of the Society. The net new Life Business was £1,650,996 as compared with £1,185,650 in the previous year." As the latter figure had been, in its turn, the highest in our history, the new Chairman thus made a successful *début*.

October, 1921, saw the declaration of the nineteenth Bonus of the Society. We had been blamed in some quarters for the magnitude of our distribution in 1916 and doubts had been expressed as to whether we had not thereby impaired our Bonus-earning capacities in the future. The result showed that any such fears were groundless, as the following extract from the Directors' Annual Report well indicates:—

"The Directors have great pleasure in reporting that the year ending June 30th, 1921,



FREDERICK PINCKARD COLES.



SIR JOSEPH G. BROODBANK.

was the most remarkable in the long history of the Society. Though the volume of the new business was curtailed by adverse industrial conditions, a quite exceptional character was given to the year's transactions by the reduction in the Death Claims, the increase in the net rate of interest earned, the appreciation in the value of the Assets and the expansion in the normal growth of the Life Assurance Fund."

"As the outcome of these events the Society, at the close of its nineteenth quinquennium, is able to maintain its $2\frac{1}{2}$ per cent. valuation standard and, in spite of the European War, to repeat in 1921 the record scale of Bonus paid to its participating Policyholders in 1911 and 1916."

It may be added that in one respect the Society was extraordinarily fortunate in respect of the strain involved upon it by the War. The burden so imposed happened to fall almost equally upon two quinquennial valuation periods and in each case the years of peace which were included were exceptionally profitable. But the real explanation, of course, of our success throughout this long drawn-out period of trial lies in the restraint shown by my predecessors in never dividing our actuarial profits up to the hilt. Strong reserves create profits, as has been well said in our Board Room time after time by successive Chairmen, and in the future this will be assuredly no less true than in the past.



WILLIAM E. GRAY.



MAURICE O. FITZGERALD.

The only other matter which I need include in this chronological review of our history is the business visit paid to Canada by our Chairman a year ago. Reference has already been made to my own visit in 1914 in order to explore the problem of whether it would be profitable to extend our field of investment to Canadian Mortgages. The War made it necessary to postpone further consideration of this important question for a time, but many of our earlier difficulties have now been solved by our association with the *Employers' Liability*, which possesses a powerful organization throughout the Dominion. The Chairman was able to carry matters a long stage forward and to develop the outlines of a Scheme which gives every indication of being both profitable and safe. The matter is held up, however, by reason of the unfavourable position of the Canadian exchange, and until this has become stabilized, the question is not one upon which any final decision can be taken by the Board.



SIR GEORGE H. MAKINS, G.C.M.G., C.B.,
LL.B., F.R.C.S.



SIR PERCIVAL HORTON-SMITH HARTLEY,
C.V.O., M.D.

Chapter XXXIV

Conclusion

ALTHOUGH these notes have extended beyond the limits originally planned, I cannot help realising how much has had to be omitted, and how difficult it is to epitomise the history of a hundred years within the compass of a small volume. The more the old materials were studied, the more they disclosed, at every stage, new lines of interest and of development ; new lights upon the chief actors and new channels calling for further investigation. To me the study has been a fascinating one, and I can only hope that, however feebly, I have been able to convey to my readers some sense of the atmosphere of those far-off days, some realization of the high aims of our Founders, and of the tenacity with which they pursued their efforts through the long years of early struggle. It is a story of human endeavour, crowned at last by success, partly because our Founders had a fundamentally right idea and partly because they were strong men and were, in turn, succeeded by strong men—as the names of Pinckard, Mowbray, Coles and others testify.

The record of the first century of the Society's existence is ended. And as our new century begins,



THE RT. HON. SIR SAMUEL J. G. HOARE, BT.,
C.M.G., M.P.



THE RIGHT HON. THE EARL OF LICHFIELD.

our thoughts turn away from the past and direct themselves naturally towards the future. The years that lie ahead will bring many changes and we know not whither they will carry us. But we face them with full confidence, certain that the strength and vitality of the Society were never greater than to-day, and that the Directors and Actuaries who will guide us in our second century will be inspired by all that is best of our great traditions, while ever ready to adapt their methods to whatever altered conditions in Life Assurance business our old Society may be called upon to face in the coming years.



SIR WALTER R. LAWRENCE, BT.,
G.C.I.E., G.C.V.O., C.B.



COL. SIR EDWARD WARD, BT.,
G.B.E., K.C.B., K.C.V.O.



THE RIGHT REV. BISHOP RYLE,
K.C.V.O., D.D.
Dean of Westminster.

APPENDIX

Chronological Lists

CHAIRMEN OF THE SOCIETY.

DR. GEORGE PINCKARD	1824-1835
JAMES KIBBLEWHITE, Esq.	1835-1845
Dr. JOSEPH MOORE	1845-1855
GEORGE G. BABINGTON, Esq., F.R.C.S.	1855-1856
JOSEPH HENRY GREEN, Esq., F.R.C.S., F.R.S.	1856-1863
The Rt. Hon. Sir JOHN R. MOWBRAY, Bt., M.P.	1863-1899
WILFRED J. CRIPPS, Esq., C.B.	1899-1903
JOHN COLES, Esq.	1903-1919
FRANCIS E. J. SMITH, Esq.	1919-

DEPUTY CHAIRMEN OF THE SOCIETY.

Dr. ROBERT BREE, F.R.S.	1824-1837
JAMES KIBBLEWHITE, Esq.	1824-1835
Dr. JOSEPH MOORE	1835-1845
Dr. RICHARD PINCKARD	1840-1846
Dr. SAMUEL MERRIMAN	1847-1852
JOSEPH HENRY GREEN, Esq., F.R.C.S., F.R.S.	1847-1856
GEORGE G. BABINGTON, Esq., F.R.C.S.	1853-1855
The Rt. Hon. Sir JOHN R. MOWBRAY, Bt., M.P.	1855-1863
Sir WM. BOWMAN, Bt., F.R.C.S., F.R.S.	1858-1892
Sir CHARLES LOCOCK, Bt., M.D., F.R.S.	1863-1873
Revd. Prebendary KEMPE, M.A.	1886-1907
Sir JAMES PAGET, Bt., F.R.C.S., F.R.S.	1895-1898
WILFRED J. CRIPPS, Esq., C.B.	1898-1899
Sir RICHARD DOUGLAS POWELL, Bt., K.C.V.O., M.D., D.Sc.	1899-
The Rt. Hon. Sir EVELYN CECIL, G.B.E., M.P.	1915-

DIRECTORS OF THE SOCIETY.

Dr. GEORGE PINCKARD	1824-1835
JAMES KIBBLEWHITE, Esq.	1824-1845
Dr. ROBERT BREE, F.R.S.	1824-1837
Dr. GEORGE BIRKBECK, ...	1824-1841

DIRECTORS OF THE SOCIETY (*cont.*)

WALTER BOYD, Esq., M.P.	1824-1825
A. H. CHAMBERS, Esq.	1824-1825
Col. ARTHUR CHICHESTER, M.P.	1824-1837
(The Rt. Hon. LORD TEMPLEMORE)	
Sir ASTLEY COOPER, Bt., F.R.S.	1824-1825
HENRY EARLE, Esq., F.R.S.	1824-1826
JOSEPH HENRY GREEN, Esq., F.R.C.S., F.R.S.	1824-1863
Dr. CLEMENT HUE	1824-1861
Sir WM. KAY, Bt.	1824-1825
ANDREW A. MIEVILLE, Esq.	1824-1865
Sir GEORGE POCOCK	1824-1840
Dr. ASHBY SMITH	1824-1831
The Hon. JAMES STEWART	1824-1825
Dr. HENRY JAMES CHOLMELEY	1824-1837
Sir CHARLES DES VOEUX, Bt.	1824-1847
Rev. CHRISTOPHER BENSON, D.D.	1825-1827
Rev. GILBERT BERESFORD	1825-1843
JAMES CARDEN, Esq.	1825-1829
THOMAS DAVIS, Esq.	1825-1863
Dr. SAMUEL MERRIMAN	1825-1852
Dr. A. ROBERT SUTHERLAND	1825-1826
GEORGE VANCE, Esq.	1825-1832
GEORGE G. BABINGTON, Esq., F.R.C.S.	1826-1856
FREDK. JAMES PERCEVAL, Esq.	1826-1840
Sir BENJAMIN COLLINS BRODIE, Bt., F.R.S.	1827-1862
Rev. Dr. CRANE	1827-1828
Rev. JAMES MACDONALD	1827-1840
SAMUEL MILLS, Esq.	1827-1836
Sir WM. BEATTY, M.D.	1828-1842
JOHN DIXON, Esq.	1828-1840
Rev. JOHN LONSDALE	1829-1832
The Hon. MONTGOMERIE STEWART	1830-1831
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A. H. ROWELL	.	.	.	.	.	.	1923-

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G. H. LAWTON	.	Assistant Secretary.
B. SMITHER	.	Assistant Secretary.
A. H. ROWELL	.	Assistant Actuary.
J. G. ALBERT	.	Agency Manager.



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THE VALUATION BASES OF THE SOCIETY.

In 1831, 1836 and 1841, the Northampton Table, with 3 per cent. interest, formed the valuation basis of the Society. In 1846 and again in 1851 a special method of valuation was adopted which, with interest at 3 per cent. as heretofore, produced reserves considerably in excess of those brought out by the Northampton Table (see page 128). I have been unable to ascertain the exact processes employed, but apparently the Northampton Table still formed the basis. In 1856, the Carlisle 3 per cent. Table was substituted for the old Northampton Table. A permanent reserve of £50,000 was also made, in accordance with the terms laid down by the Society's Act of Parliament, 1850. In 1861, 1866 and 1871, the same general basis was adopted, but in 1871 a special reserve of £25,000 was made for "Suspended Mortality" (see page 211). In 1876 the H^m 3 per cent. Table was substituted for the Carlisle. The same Table was used in 1881, but a new reserve of £46,684 was then made to provide for the immediate payment of claims. In 1886, the combined H^m and $H^{m(5)}$ Tables were adopted, with interest, as before, at 3 per cent. The valuation made in 1891 saw the substitution of $2\frac{1}{2}$ per cent. interest for the 3 per cent. basis which had been used since the foundation of the Society (see page 232). In 1896 the main valuation basis remained unchanged, but a Bonus Reserve Fund was created, and in 1901 this Fund was substantially increased. In 1906, the $O^{m(5)}$ Table, with $2\frac{1}{2}$ per cent. interest, was substituted for the

combined H^m and $H^{m(5)}$ Tables. The Bonus Reserve Fund was also greatly increased (see page 271), and in 1911 a similar course was adopted. In 1916 and again in 1921—the two Bonus distributions covering the War period—the $2\frac{1}{2}$ per cent. valuation basis was maintained intact, but a portion of the large accumulated Reserve Funds was released and divided among the Policyholders. Over and above the $2\frac{1}{2}$ per cent. reserves there still remain, however, additional reserves amounting to about £85,000, and it may be added that the excess of a $2\frac{1}{2}$ per cent. valuation over the 3 per cent. standard generally adopted among Life Assurance offices, represents in itself an additional reserve exceeding £280,000.

On the next page is given an Illustrative Table of the Bonuses declared at each successive quinquennial period since the foundation of the Society. A comparison between the figures of 1892 and 1921 illustrates very clearly the complete metamorphosis which during the course of thirty years has been brought about in the Bonus System of the Society. In 1892, under the old system, Cash Bonuses were uniform, and as a policyholder grew older, each successive Cash Bonus purchased a smaller and smaller amount of Reversionary Bonus. Under the new system, as is illustrated by the 1921 figures, the proportion of the surplus allotted increases with the duration of the Policy; and (subject to a maintenance of the general scale of profits distributed) this results in a gradually increasing allotment of Reversionary Bonuses. Thus whereas a Policy five years in force received

£98 1s. od. in 1892, and £92 2s. od. in 1921, a Policy fifty years in force received £57 15s. od. at the earlier date and £128 7s. od. at our latest distribution of profits.

REVERSIONARY BONUSES.

Table illustrating the relative scales of Reversionary Bonuses granted at successive declarations of profits since the foundation of the Society, in the case of policies five, twenty-five and fifty years in force, effected on a life aged 30 at entry, at an annual premium of £25 os. od.

Date of Bonus Declaration.		Policy in force.					
		5 years.		25 years.		50 years.	
		£	s.	d.	£	s.	d.
January,	1832 .	53	2	0	—	—	—
"	1837 .	18	8	0	—	—	—
"	1842 .	44	13	0	—	—	—
"	1847 .	58	4	0	—	—	—
"	1852 .	55	8	0	43	7	0
"	1857 .	77	1	0	60	6	0
"	1862 .	82	14	0	64	14	0
"	1867 .	72	19	0	57	2	0
"	1872 .	81	1	0	57	9	0
"	1877 .	84	2	0	59	13	0
"	1882 .	91	12	0	64	19	0
"	1887 .	95	15	0	67	17	0
"	1892 .	98	1	0	69	10	0
"	1897 .	97	9	0	74	7	0
"	1902 .	95	0	0	82	11	0
"	1907 .	95	19	0	91	16	0
November,	1911 .	95	19	0	100	0	0
"	1916 .	95	19	0	100	0	0
October,	1921 .	92	2	0	100	0	0
						128	7 0

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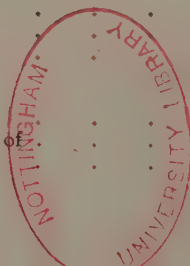
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THE PRIMARY HOUSE,

BRITISH RACE ASSOCIATION







